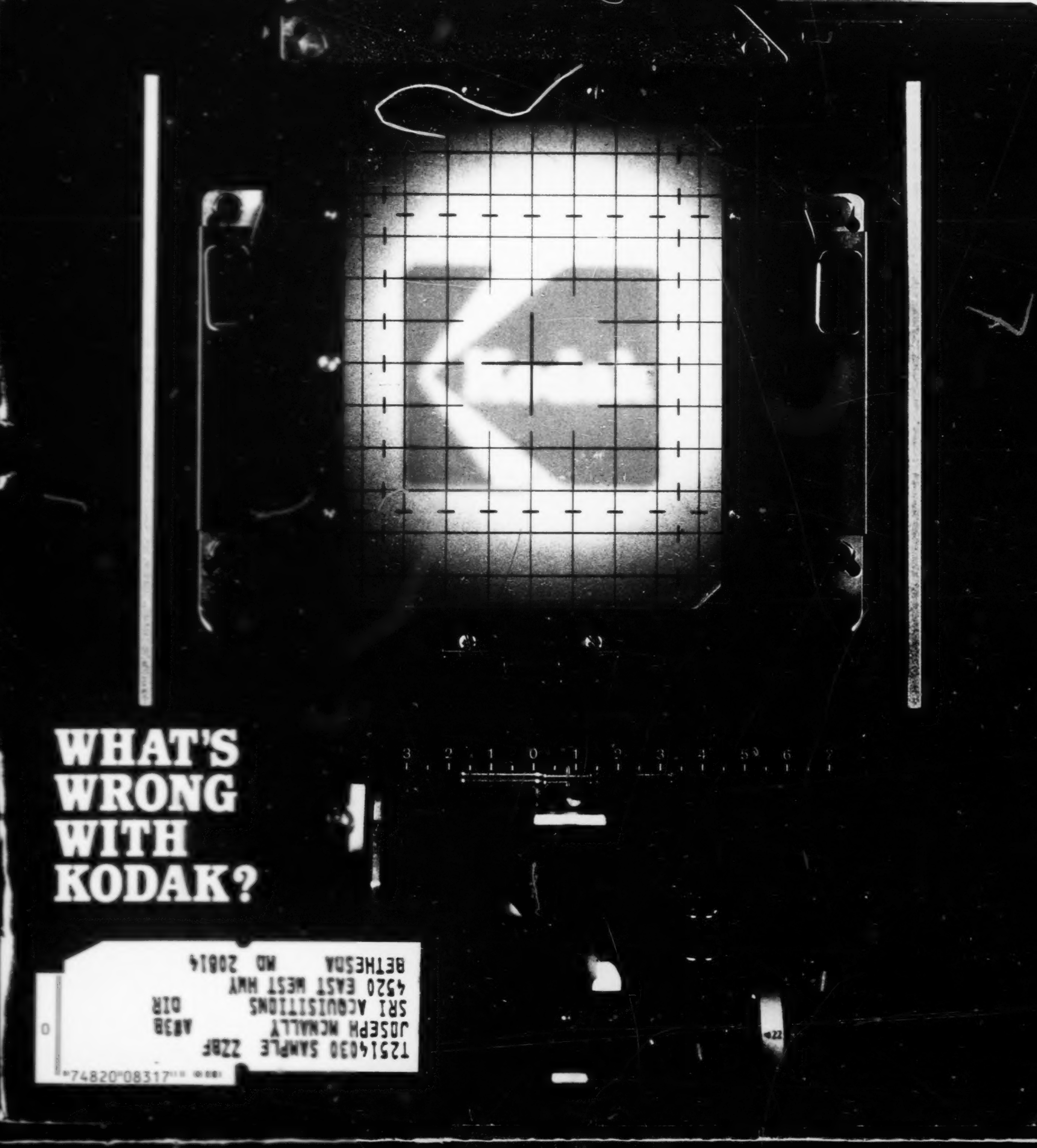
NOVEMBER 5, 1984 THREE DOLLARS

Forbes

THE UP & COMERS 300

THE TOP SMALL GROWTH COMPANIES



WHAT'S WRONG WITH KODAK?

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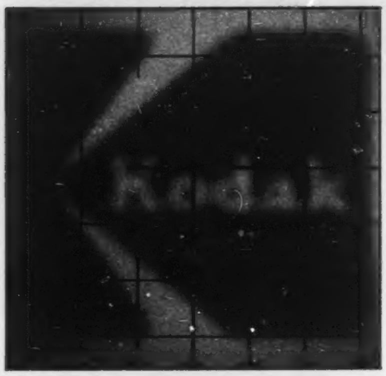
Forbes

November 5, 1984
Volume 134
Number 11



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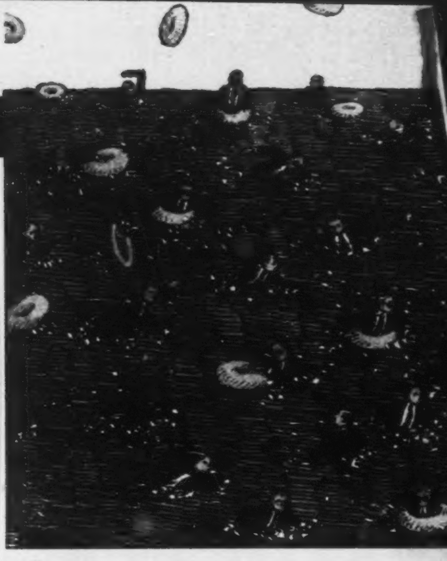

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November 5, 1984 Volume 134 Number 11 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $39 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1984 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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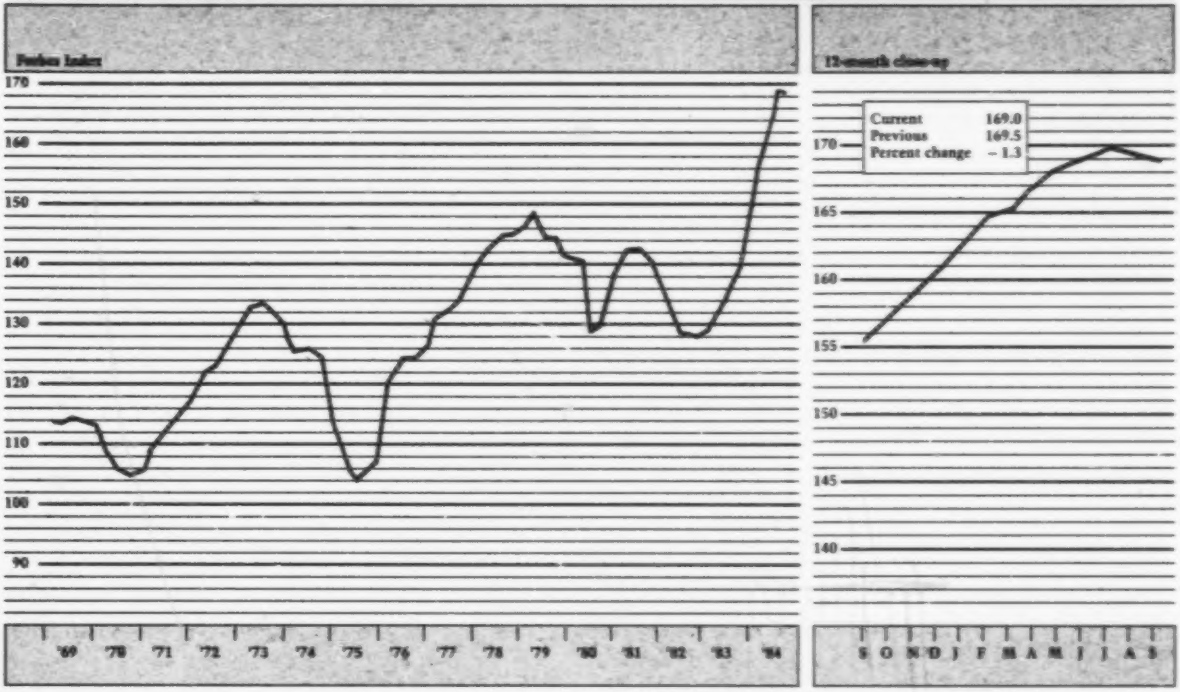
Cover photo by: Michael Abramson

The Forbes Index

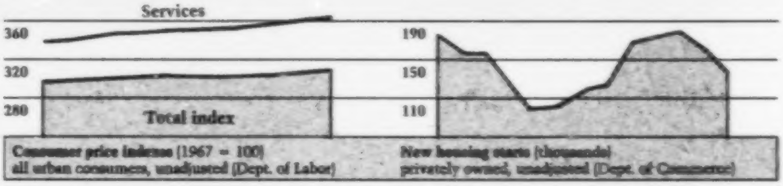


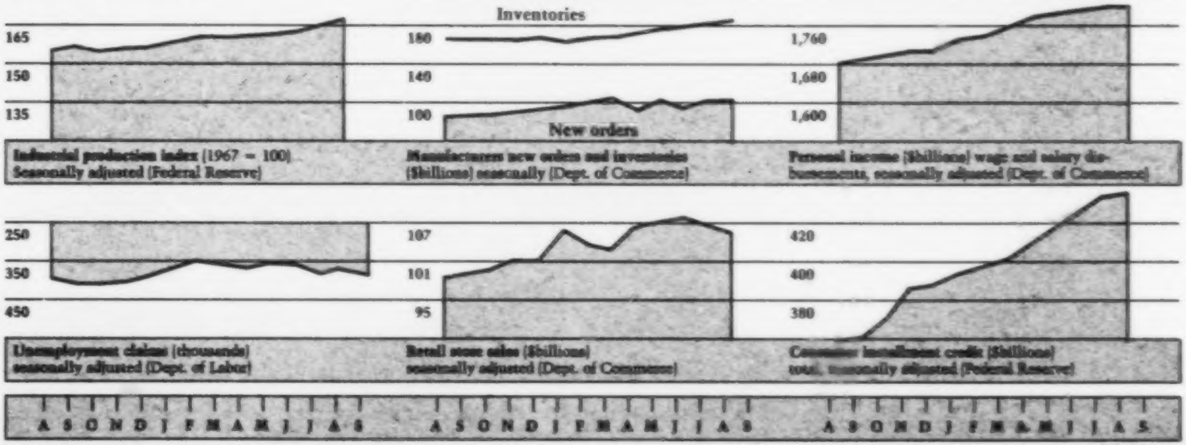
Further confirmation of a slowdown. The Forbes Index dropped another 0.3% in the latest reporting period. New unemployment claims are up 2.3% from one month earlier. Similar month-to-month rises have occurred five times since January, but the jump does not necessarily indicate huge layoffs. In fact, the number of individuals filing for unemployment is still some 4.8% lower than it was at the same time last year. Consumer installment credit also shows a 1.4% month-to-month rise. And the latest figure on manufacturers' inventories is 1.4% higher. But the Forbes Index compares the most recent monthly inventory figure to manufacturers' orders for the latest three months. Here, a weakness in new orders helped to bring down the Index.

The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



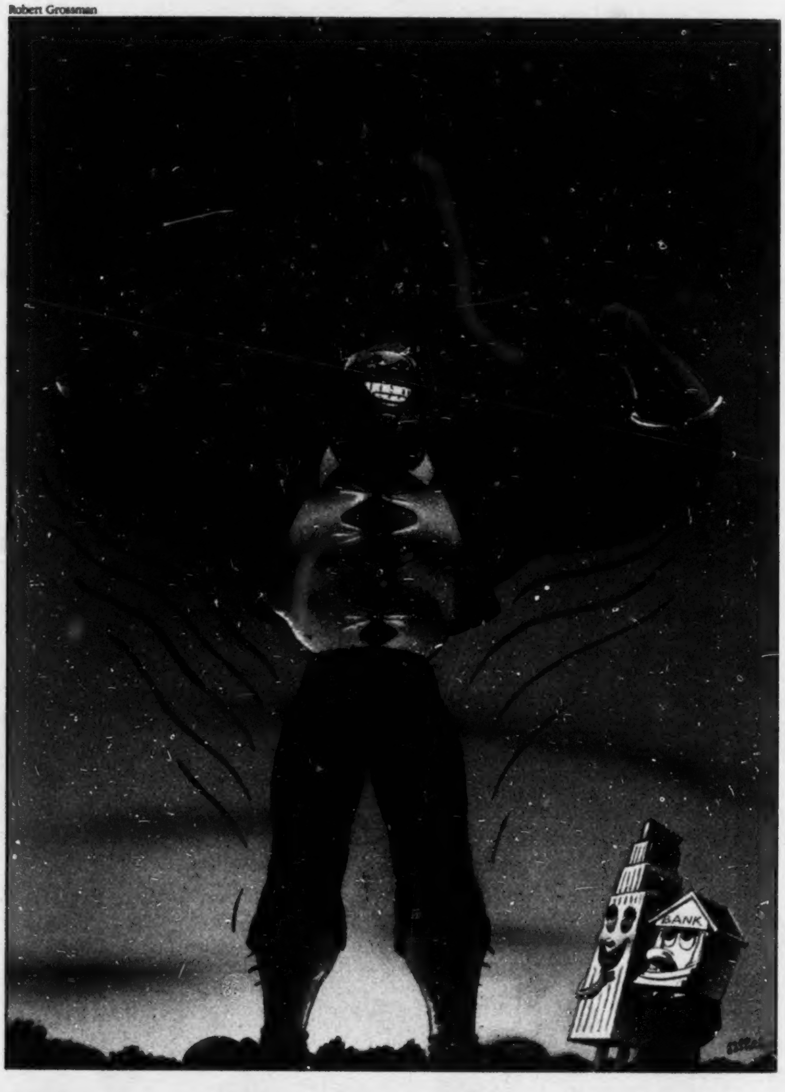


Shelley Dell

The Up & Comers

Here is the aristocracy of small growth companies. Getting on the list is tough, but staying there is tougher still.

What it takes to stay on top


Robert Grossman

By Steve Kichen

THE GLORY OF BEING A FORBES Up & Comer is often ephemeral. Only 166 of the 277 firms on last year's list still make the grade in 1984. Not surprisingly, small energy companies were particularly hard hit.

High technology provided most of the replacements. There are 31 electronics firms on this year's list. That is 10% of the total, and it makes these companies the largest industry group. Among the newcomers are several firms that benefit from increased military spending, such as Astrosystems and Kevlin Microwave.

Computer and computer-related businesses are well represented, too. There are 27 of these firms on this year's list. The casualties, however, were relatively plentiful in another once-favored industry group. Only two fast-food restaurant chains made the roster this year, compared with five last year.

To earn a spot on the 1984 Up & Comer 300, a company needed to have a five-year average return on equity of at least 14.3% and return on equity for the latest 12 months of at least 10%. Sales must be between $1 million and $250 million, and the debt cannot exceed 100% of equity.

The average Up & Comer does considerably better: It has a five-year average ROE of 28.7%, a 12-month ROE of 19.6% and long-term debt that amounts to less than 20% of equity. Note that in calculating equity per share, we exclude all balance sheet intangibles—things like goodwill and patents.

With these criteria, staying on this

list becomes an uphill battle. Even a very small company like our top-ranked GTS can show spectacular percentage increases if it starts life with a tiny equity base and negligible sales and earnings *(see box)*. But for a $100 million-a-year corporation to maintain 50% earnings growth, it must either expand margins or boost annual revenues by $50 million. That is no mean feat.

But what about the dropoffs? Trouble in the oil patch aside, several 1983 veterans—among them American Medical Sevices, Conair, Dixon Ticonderoga and Photronics—failed to make the cut this year because of rising debt-to-equity ratios.

Other unfortunate companies committed an even more deadly sin. They lost money during the past 12 months. Beefsteak Charlie's, Computone Systems, National Environmental Controls, Possis, Wells Gardner Electronics and Williams Electronics are all absent from the ranks this year because they couldn't turn in steady profits.

A few corporations simply outgrew the Up & Comer category. Godfather's Pizza merged with Chart House to form Diversifoods, which has annual revenues well above our cutoff. Other companies like First Virginia Banks, Hechinger, Intergraph, Jackson National Life, Stride Rite and Tandon got too big on their own. Acquisitions eliminated another raft of firms, among them Cellu-Craft, Charles River Breeding Laboratories, Felmont Oil and Michigan Sugar.

Some of the buyers may have picked up real bargains, because Wall Street was unusually tough on small growth companies during the past 12 months. While the Wilshire index dropped 5.4%, the 1983 roster of Up & Comers was off nearly 15%.

No surprise here. Growth stocks frequently excel in a rising market. But, as investors often realize painfully, these same companies can be decimated when the broad averages decline. Hardest hit among last year's Up & Comers were Sensormatic Electronics and CutCo Industries, both of which posted declines of 77%. Other big losers were TIE/Communications, Tandon and Verbatim.

Fortunately there were a few bright spots among last year's list. Mylan Laboratories is the top performer, with a 232% year-to-year increase in price. Two other stocks, meanwhile, rose more than 100%: Continuum and Hasbro Bradley. Other companies that posted gains of at least 50% include Chesapeake Utilities, Redken Labs, Shop & Go and Telecom Plus International.

Where is the best place to find an Up & Comer? There are companies from 36 states and the District of Columbia on this year's roster. California, which has the headquarters of 46 companies, leads the pack. New York is a close second, with a total of 44 firms—almost half of them based on Long Island. Strong showings were also made by Massachusetts (19), Texas (16), Pennsylvania and New Jersey (14 each), Ohio (13) and Minnesota and Florida (12 each).

Foreign firms with shares actively traded in the U.S. can be Up & Comers, too. This puts seven firms from four countries on our list. Among them: several Canadian companies; Scitex, based in Israel; and Velcro, based in the Netherlands Antilles.

The typical Up & Comer has a market value of $129 million. But the range here is unusually wide. Capitalization of the 11 top firms is over $500 million. Contrast this with the low value of the 11 bottom firms, which is below $10 million. The priciest Up & Comer is Community Psychiatric Centers, with a market value of $801 million. The cheapest is Oxford Exploration, worth $2.6 million.

With the market decline, price/earnings ratios are slightly more modest. Last year our average company had a P/E of 14.6; this year the figure is 13.8. At the high end of the spectrum, the difference is more striking. The most expensive 50 stocks last year had P/Es of about 40; now that multiple is down to 25.

The net result of all this is that nearly one-third of the Up & Comers now carry multiples of 10 or less. That seems pretty cheap for cream-of-the-crop growth companies, provided they can maintain their outstanding performance. ■

Watch for the story behind the number

If you're like most people, you start reading our Up &Comer list at the top. After all, companies with the highest five-year returns on equity ought to be making the most money for their owners.

Unfortunately, however, the firms with unusually impressive numbers occasionally benefit from statistical quirks. Consider GTS Corp., which collects and processes seismic data for oil drillers and has headed our list for the past three years. Although GTS has had a solid 38.1% ROE for the latest 12 months, that figure pales beside its five-year average of over 100%.

How can any company be that profitable? GTS got a tremendous boost in fiscal 1981, when an expanded marketing program led to per-share earnings of $1.05 on an equity base of 3 cents The result was a 3,500% return on equity.

Obviously, that's a ridiculous number. It is also big enough to distort average return on equity for years to come. To keep one foot in reality, we include all results of our five-year calculations. But we print no five-year average return on equity greater than 100%. And when it comes to sales and earnings growth, we label anything over 1,000% "not meaningful."

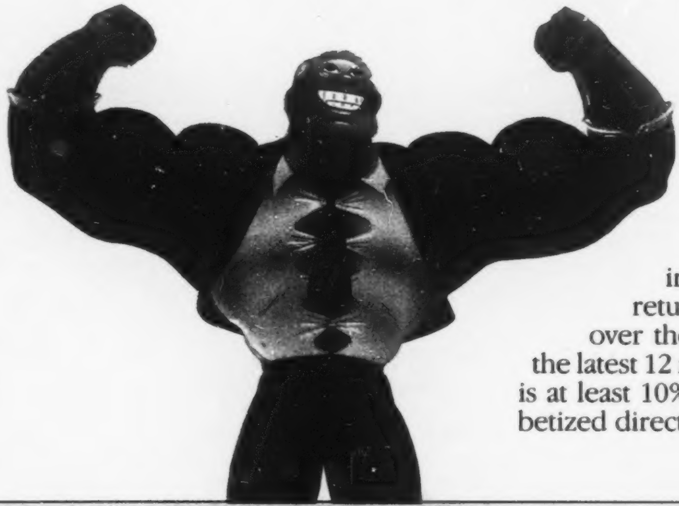
Profitability numbers can be the most misleading. Among the factors that can skew a firm's return on equity are size and even age. New firms often have a minimal amount of equity. So any earnings at all may produce fat, and unsustainable, rates of return.

The nature of a firm's operations affects this figure, too. "When a business isn't capital-intensive, you don't need a lot of equity," adds Norman Weinger of Oppenheimer & Co. "In service industries, for example, a company needs people, not capital." The result: relatively higher returns on equity.

Don't forget, too, that impressive percentage gains come much more easily from a small base. A 50% revenue gain is much easier when last year's sales were $1 million than when they were $150 million.

Numbers can enlighten, but they can also confuse. Whenever there is an unbelievably high or unbelievably low figure in any table, do the only sensible thing. Ask how it got that way.—**Leslie Pittel**

The Up & Comer 300



There are thousands of companies with sales of between $1 million and $250 million. But these 300 — ranked according to long-term profitability—have returns on equity of at least 14.3% over the past five years and 10% during the latest 12 months. Five-year earnings growth is at least 10%. On page 156 there is an alphabetized directory of these firms.

	Return on equity		—5-year—						—Price—			
Company/*business*	5-year average	latest 12 months	sales growth rate	EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/ equity	recent	% change 1984	Latest 12 months EPS	Latest 12 months P/E
GTS *oilfield svcs*	713.7%	38.1%	234%	48%	$ 12.4	$ 1.9	$2.33	13%	9	–4%	$0.89	10.1
• **Lee Enterprises** *newspapers*	109.3	62.5	112	12	168.2	22.8	2.86	52	25⅞	8	1.79	14.5
Pioneer Group *finance*	101.8	38.6	489	30	23.5	6.6	3.05	0	15¾	–1	1.18	13.3
• **Carrols Corp** *fast food*	95.8	20.9	82	33	121.7	4.6	3.15	74	9⅝	–7	0.66	14.2
Alpha Microsystems *computer equipment*	64.1	16.4	NM	30	52.0	4.4	8.98	0	8⅛	–45	1.48	5.5
• **Computer Associates Intl** *software*	63.3	10.8	NM	76	84.7	9.4	8.63	6	16½	–31	0.94	17.6
• **LD Brinkman** *retail bldg mtrls, restaurants*	63.3	29.3	151	24	219.1	7.6	5.21	56	9⅜	–12	1.53	6.1
Amfesco Industries *footwear*	59.2	24.0	391	79	74.5	9.4	8.94	19	11⅜	–36	2.15	5.3
• **Dreyfus Corp** *financial svcs*	58.9	32.8	535	43	127.1	34.0	10.20	79	35⅜	50	3.35	10.6
Nature's Sunshine Prods *food processing*	56.7	22.6	810	48	29.9	1.5	5.03	23	8½	–33	1.14	7.5
WD-40 *lubricants*	56.5	37.5	144	12	50.2	8.0	3.33	0	21½	14	1.25	17.2
Georgia Bonded Fibers *fibers*	56.3	31.4	67	48	30.4	1.7	4.20	18	6	9	1.32	4.5
Sage Energy *oil and gas explor, drilling*	54.0	13.8	NM	28	75.4	12.4	7.22	33	10⅛	–32	1.00	10.1
Dreyer's Grand Ice Cream *food processing*	53.3	19.2	NM	43	76.6	5.4	3.99	7	12	–48	0.77	15.6
General Physics *training svcs for utilities*	52.2	19.1	630	32	35.1	2.7	4.18	0	6¾	–15	0.80	8.4
• **Nantucket Industries** *apparel*	51.3	21.1	226	18	32.1	1.7	4.17	80	8⅝	–13	0.88	9.8
Key Pharmaceuticals *ethical drugs*	51.0	35.9	NM	69	127.3	18.8	1.67	73	15	–14	0.60	25.0
National Education *vocational training*	49.1	22.2	544	17	158.5	9.1	4.81	17	18⅛	0	1.07	16.9

*Latest fiscal year. •New addition to 1984 Up & Comer list. NM: Not meaningful.

Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes.*

The Up & Comer 300

Company/*business*	Return on equity		5-year						Price		Latest 12 months	
	5-year average	latest 12 months	sales growth rate	EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/equity	recent	% change 1984	EPS	P/E
Thompson Medical *proprietary drugs*	48.7%	34.4%	425%	30%	$149.4	$16.5	$6.33	0%	18½	5%	$2.18	8.5
Medex *health care supplies*	47.9	13.6	818	27	12.3	1.4	2.78	16	8½	–33	0.38	22.4
CyCare Systems *hospital computer svcs*	47.0	13.0	361	28	28.6	1.9	8.30	2	18½	0	1.08	17.1
Initio *mail-order sales*	46.5	10.7	209	20	18.5	1.4	2.24	2	3½	–36	0.24	14.6
Intelligent Systems *computer equipment*	45.3	25.9	NM	45	90.1	9.0	3.89	0	12	–36	1.01	11.9
Electrospace Systems *electronics*	45.2	30.0	446	35	79.5	8.0	2.73	27	21⅜	16	0.82	26.1
International Game Tech *recreation*	44.4	18.1	NM	32	60.0	8.7	7.39	4	16⅝	51	1.34	12.4
• **TransNet** *computer equipment*	43.7	13.8	247	11	14.7	2.1	2.82	0	3¼	8	0.39	8.3
Forest Laboratories *ethical drugs*	43.6	11.1	254	11	19.6	2.9	5.03	5	14½	–46	0.56	25.9
Cullinet Software *software*	43.2	23.9	NM	42	120.0	16.5	5.05	0	40⅜	0	1.21	33.4
• **Prime Motor Inns** *hotels*	43.1	17.3	200	32	96.0	17.3	6.91	77	23⅜	12	1.20	19.5
Comprehensive Care *health care svcs*	42.8	14.0	516	26	107.9	14.1	9.32	13	22½	–1	1.31	17.2
Bolar Pharmaceutical *ethical drugs*	42.1	21.7	519	24	25.5	4.9	5.20	0	26¾	15	1.13	23.7
• **Kroy** *graphic products*	41.6	21.6	142	11	74.3	7.7	5.40	37	11¾	–56	1.17	10.0
Pansophic Systems *software*	41.3	14.0	503	29	53.1	8.3	7.31	2	11½	–45	1.03	11.2
• **ASK Computer Sys** *computer svcs*	41.0	16.9	NM	65	65.1	6.1	3.13	2	16	–4	0.53	30.2
Dranetz Technologies *precision instruments*	40.5	25.6	283	18	24.8	3.6	3.20	0	12	–22	0.82	14.6
• **St Jude Medical** *health care equipment*	40.2	14.4	NM	28	25.6	4.3	7.28	0	14	–27	1.05	13.3
• **Zenith National Insurance** *insurance*	40.1	23.4	84	14	119.6	16.9	6.15	93	12¼	–15	1.44	8.5
• **Plenum Publishing** *publishing*	39.6	44.2	10	24	33.7	6.2	6.90	1	22½	–15	2.42	9.3
Comdata Network *financial svcs*	39.2	16.3	NM	36	63.4	11.1	3.80	1	13¼	–43	0.62	21.4
Liz Claiborne *apparel*	38.9	38.5	NM	50	228.7	22.4	7.76	0	47½	39	2.99	15.9
Auxco *computer svcs*	38.5	23.9	290	29	19.5	1.5	1.17	1	7½	–57	0.28	26.8
Newport Corp *indstl and lab optical equip*	37.9	14.0	243	63	28.0	6.8	5.18	0	22	6	0.73	30.1
• **Pyro Energy** *coal, oil and gas*	37.5	26.5	75	56	98.6	13.4	4.11	91	9½	16	1.09	8.7
Pic'n'Save *retail*	37.2	25.4	308	31	220.8	36.5	4.91	1	21⅝	8	1.25	17.3
Mylan Laboratories *ethical drugs*	36.9	32.9	124	47	36.9	4.7	1.70	12	24¾	180	0.56	44.2

California is home to 46 companies on The Up & Comer 300, more than any other state.

*Latest fiscal year. •New addition to 1984 Up & Comer list. NM: Not meaningful.

Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes.*

The Up & Comer 300

Company/*business*	Return on equity 5-year average	Return on equity latest 12 months	5-year sales growth rate	5-year EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/equity	Price recent	Price % change 1984	Latest 12 months EPS	Latest 12 months P/E
• **Safeguard Business Sys** *business forms*	36.5%	21.7%	202%	11%	$168.1	$11.0	$4.55	44%	15	–16%	$0.99	15.2
Tellabs *telecomm equipment*	36.2	19.4	891	22	85.1	12.9	5.75	8	16½	–33	1.12	14.7
Community Psych Centers *health care svcs*	35.1	21.0	404	31	138.2	26.9	5.42	14	26⅞	16	1.14	23.6
AFA Protective Sys *protective alarm svcs*	34.6	23.6	88	39	16.9	1.3	15.38	0	38½	–8	3.63	10.6
Academy Insurance Group *insurance*	34.3	18.4	417	44	111.0	16.1	5.81	19	10⅜	–27	1.07	9.7
SafeCard Services *financial svcs, direct mail*	33.6	15.6	864	20	43.2	5.5	3.83	0	11⅞	–10	0.60	19.8
• **Monolithic Memories** *electronics*	33.3	15.1	349	92	105.4	10.2	7.84	3	17⅜	–37	1.19	14.8
Network Systems *computer equipment*	33.2	13.1	NM	71	47.0	10.0	4.25	0	23	11	0.56	41.1
Silicon General *electronics*	33.1	32.3	230	30	48.0	9.3	2.38	3	8¼	–41	0.77	10.7
Chyron *computer graphics*	32.7	25.2	390	56	22.0	5.2	2.26	0	13¼	44	0.57	23.2
Postal Instant Press *printing*	32.6	21.4	121	22	18.2	4.1	4.71	2	15⅛	12	1.01	15.0
• **Comp-U-Check** *financial svcs*	32.5	27.7	186	83	5.9	0.4	1.08	21	5¼	–21	0.30	17.5

Wall Street wasn't kind to The Up & Comer 300 in 1984. Since December, share prices on average have dropped nearly 6%.

Company/*business*	Return on equity 5-year average	Return on equity latest 12 months	5-year sales growth rate	5-year EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/equity	Price recent	Price % change 1984	Latest 12 months EPS	Latest 12 months P/E
Analogic *computer equipment*	32.3	13.8	430	24	128.8	15.1	6.99	9	10	–56	0.97	10.3
Spectradyne *closed-circuit TV*	32.2	10.4	513	10	32.5	3.8	6.22	18	9¾	–35	0.65	15.0
New England Business Svc *business forms*	32.0	27.8	233	19	137.4	13.0	5.53	29	30½	–11	1.54	19.8
Lynden *trucking*	31.8	13.1	311	25	103.3	4.9	24.82	38	20¾	–10	3.26	6.4
Matrix Corp *health care equipment*	31.8	16.8	NM	31	54.4	5.4	6.64	0	24⅜	–7	1.12	22.0
• **Franklin Resources** *investment advisory svcs*	31.7	65.5	NM	98	23.6	3.1	2.41	4	20¼	0	1.58	12.8
Shared Medical Systems *hospital computer services*	31.7	26.7	361	23	210.8	27.3	4.60	7	26⅜	–19	1.23	21.6
• **Security Life Ins of Georgia** *insurance*	31.3	43.0	35	18	25.4	3.7	4.69	0	23½	17	2.02	11.6
Charming Shoppes *retail*	31.3	27.6	301	18	238.4	17.4	4.85	6	22½	9	1.34	16.8
Dynatech *precision instruments*	31.3	23.0	604	19	147.0	11.0	5.26	22	18	–2	1.21	14.9
American Income Life Ins *insurance*	31.2	16.9	119	13	115.8	20.6	8.92	0	8¾	–23	1.51	5.8
FlightSafety Intl *air and marine training*	31.1	21.7	258	19	80.8	22.4	7.49	2[illegible]	31	6	1.63	19.0
International Controls *electronics*	31.1	13.1	41	10	107.1	5.8	12.05	34	16⅞	–3	1.58	10.7
Advanced Systems *training materials*	30.9	20.5	265	21	38.1	4.4	5.11	4	16¼	–19	1.05	15.5
Frequency Electronics *electronics*	30.8	10.1	305	16	17.2	3.1	10.63	11	20¾	–18	1.08	19.2

*Latest fiscal year. •New addition to 1984 Up & Comer list. NM: Not meaningful.

Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes.*

The Up & Comer 300

Company/*business*	Return on equity		5-year				Book value per share	Long-term debt/ equity	Price		Latest 12 months	
	5-year average	latest 12 months	sales growth rate	EPS growth rate	Sales* (millions)	Profits* (millions)			recent	% change 1984	EPS	P/E
Pall *filters*	30.7%	22.3%	220%	15%	$242.1	$30.7	$7.64	15%	36¼	–2%	$1.71	21.2
Whitehall *precision instruments*	30.7	24.2	120	58	64.5	11.5	11.36	1	22½	–41	2.76	8.2
Aeroflex Labs *electronics*	30.6	17.2	313	35	36.9	4.2	6.07	9	10¾	–34	1.05	10.2
Xidex *microfilm duplicator*	30.3	20.4	242	32	178.2	24.0	5.19	2	16¾	–22	1.06	15.8
Unifi *textiles*	30.1	10.1	135	24	216.5	7.4	10.39	32	8½	–50	1.05	8.1
Southwestern Energy *gas utility*	30.0	22.6	171	14	74.9	14.6	7.89	55	24½	19	1.79	13.7
Cerberonics A *engineering and tech svcs*	29.9	10.9	564	49	32.3	1.3	7.15	0	7½	–33	0.78	9.6
Adage *computer graphics*	29.8	10.9	718	29	49.4	4.3	7.98	6	9¾	–35	0.87	11.2
Quotron Systems *financial information svcs*	29.8	17.1	361	29	153.8	24.0	4.49	9	11¼	–44	0.77	14.6
United Medical *health care svcs and prods*	29.7	18.2	NM	31	14.1	1.8	4.22	7	12⅝	–15	0.77	16.4
• **Yankee Oil & Gas** *oil and gas drilling, prods*	29.6	33.0	104	106	99.7	6.8	3.79	97	7⅛	–61	1.36	5.2
CPT Corp *word processing equip*	29.5	13.5	NM	29	200.3	17.4	7.77	32	8⅝	–33	1.05	8.2
NBI *word processing equip*	29.3	15.9	NM	37	177.1	13.8	8.76	55	19⅜	–27	1.40	13.8
Verbatim *computer equipment*	29.2	22.7	675	58	170.8	14.7	2.77	32	6¾	–60	0.63	10.7
• **Atlantic Research** *rocket motors, comm equip*	29.1	19.2	344	27	145.1	7.6	11.12	80	32½	11	2.14	15.2
Pacific Scientific *aerospace, industrial equip*	28.8	15.2	210	12	78.9	10.9	9.38	60	13⅛	–23	1.43	9.2
Evans & Sutherland Comp *computer graphics*	28.4	15.5	615	25	60.6	10.8	7.52	2	22	–27	1.17	18.8
Electro Rent *leasing*	28.4	20.1	538	31	73.5	10.0	6.45	15	17¾	–6	1.30	13.7
Safety-Kleen *industrial services*	28.4	22.3	205	23	162.8	15.8	8.47	9	39⅝	16	1.89	21.0
Aydin *electronics*	28.4	19.7	197	25	152.9	14.0	13.83	8	22¼	–45	2.73	8.2
Liebert *computer equipment*	28.3	15.7	699	38	174.2	11.3	6.11	13	21	0	0.96	21.9
Pandick Inc *financial printing*	28.3	19.8	286	36	121.1	10.0	7.21	42	15⅜	–30	1.43	10.8
• **Anthem Electronics** *electronics*	28.1	19.6	600	17	95.2	5.5	4.83	0	11⅛	–27	0.95	11.7
• **L Luria & Son** *specialty retail*	27.8	15.1	340	12	145.2	6.8	8.33	2	13	–10	1.26	10.3
Mentor *biomedical engineering*	27.7	14.6	844	68	9.5	1.1	2.39	46	13¾	3	0.35	39.3
Canadian Marconi *electronics and telecomm*	27.6	32.7	353	31	188.8	28.5	4.19	4	17⅜	–16	1.37	12.6
Superior Mfg & Instr *auto parts*	27.5	27.9	298	28	21.9	1.7	7.68	14	17¼	9	2.15	8.0
International Clinical Labs *health care services*	27.3	18.8	316	27	71.5	4.8	4.93	59	17	–26	0.93	18.3
Luby's Cafeterias *restaurants*	27.2	20.4	167	18	144.1	13.9	6.54	6	28⅝	0	1.34	21.4
TransTechnology *aerospace*	27.1	15.5	249	15	103.4	8.4	10.63	30	14	–15	1.65	8.5
Cray Research *supercomputers*	27.0	17.2	NM	27	169.7	26.1	12.55	17	52⅛	–6	2.16	24.1

*Latest fiscal year. •New addition to 1984 Up & Comer list. NM: Not meaningful.

Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes*

The Up & Comer 300

Company/*business*	Return on equity 5-year average	Return on equity latest 12 months	5-year sales growth rate	5-year EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/equity	Price recent	Price % change 1984	Latest 12 months EPS	Latest 12 months P/E
First American Bank & Tr *bank bolding*	27.0%	22.6%	470%	16%	$63.4	$8.0	$4.55	42%	9⅛	–4%	$1.03	8.9
DBA Systems *computer equip, engnrg svcs*	26.7	16.4	475	77	38.1	2.4	4.87	16	9½	–24	0.80	11.9
• **Neutrogena** *personal care products*	26.7	43.7	170	22	45.5	3.2	2.56	0	37½	0	1.12	33.5
Farah Manufacturing *apparel*	26.7	28.7	111	63	206.4	14.7	9.10	12	26⅜	5	2.62	10.1

The price/earnings ratio for The Up & Comer 300 is 13.8, which is 25% higher than the broad-based Wilshire index.

Company/*business*	Return on equity 5-year average	Return on equity latest 12 months	5-year sales growth rate	5-year EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/equity	Price recent	Price % change 1984	Latest 12 months EPS	Latest 12 months P/E
• **Stocker & Yale** *precision instruments*	26.6	17.4	26	11	7.4	1.4	6.71	18	12¾	13	1.17	10.9
• **Intermec** *computer equipment*	26.5	19.1	927	26	26.9	3.1	3.55	0	16⅝	–5	0.68	24.4
• **Robinson Nugent** *electronics*	26.3	21.4	351	10	62.4	5.9	4.19	13	14¾	–23	0.90	16.4
• **KDI** *multicompany*	26.3	20.1	35	12	201.5	6.8	4.71	65	9⅛	–7	0.95	9.6
Computer Data Systems *computer svcs*	26.2	27.0	603	38	54.9	2.9	3.44	17	12	–22	0.93	12.9
EIP Microwave *precision instruments*	26.2	27.2	307	47	18.4	1.5	2.53	13	12⅞	–1	0.69	18.7
John H Harland *financial printing*	26.0	22.5	193	20	189.0	20.8	11.95	0	46⅝	26	2.70	17.3
Avantek *electronics*	26.0	16.5	461	21	119.4	11.9	4.94	2	19⅜	–7	0.82	23.6
Trion *electronic air cleaners*	25.8	17.2	258	18	20.7	2.0	2.78	16	6	–35	0.48	12.5
Spectrum Control *electronic pollution controls*	25.8	16.3	230	14	17.6	1.8	2.32	71	6⅜	–33	0.38	16.8
• **Geothermal Resources Intl** *finance, geotherm energy*	25.7	14.6	141	30	18.0	7.4	13.35	48	9½	–11	1.95	4.9
Technalysis *computer services*	25.5	27.2	102	27	8.3	0.9	3.37	0	11	–15	0.92	12.0
• **Ennis Business Forms** *business forms*	25.5	24.1	51	13	95.8	7.9	9.68	23	23¼	5	2.34	9.9
• **New Mexico and Ariz Land** *land and natural res mgmt*	25.4	39.3	87	35	14.9	5.3	7.12	31	16¾	13	2.80	6.0
Communications Systems *telecommunications*	25.4	18.8	341	28	34.8	3.9	5.61	33	11½	–10	1.06	10.8
• **Velcro Industries NV** *fasteners*	25.4	23.6	121	12	53.2	7.2	11.38	35	42¼	33	2.69	15.7
• **ACMAT** *construction*	25.3	25.8	26	45	34.7	1.6	2.65	55	8¾	–30	1.10	8.0
Printronix *computer equipment*	25.3	12.4	808	13	116.3	7.8	14.34	4	20¾	–23	1.79	11.6
Hathaway Corp *electronics*	25.1	25.9	112	59	21.5	2.1	3.47	8	9¾	0	0.90	10.8
Matrix Science *electrical equipment*	25.1	19.3	531	15	58.2	6.5	8.51	0	27	–27	1.65	16.4
• **Gerber Scientific** *CAD/CAM*	25.0	20.7	464	24	173.6	14.7	5.45	26	18	0	1.13	15.9
Adams-Russell *electronics, CATV*	24.9	14.7	420	20	91.9	6.7	8.08	94	21	–17	1.19	17.6
Turner Corp *construction*	24.8	22.1	209	19	62.2	11.4	13.16	24	22¾	16	2.92	7.8

*Latest fiscal year. •New addition to 1984 Up & Comer list. NM: Not meaningful.

Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes.*

The Up & Comer 300

	Return on equity		5-year						Price		Latest 12 months	
Company/*business*	5-year average	latest 12 months	sales growth rate	EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/equity	recent	% change 1984	EPS	P/E
O'Sullivan *plastic and rubber prods*	24.8%	27.4%	114%	27%	$108.7	$8.6	$ 8.73	0%	31½	18%	$2.40	13.1
Communications Inds *telecommunications*	24.6	19.5	131	20	64.2	10.8	6.56	4	24¼	–8	1.28	18.9
Teleflex *mech remote controls*	24.6	15.0	171	19	129.3	9.5	13.20	20	25½	–17	1.99	12.8
Kasler *construction*	24.5	14.4	266	12	114.3	4.1	5.13	0	14¾	–12	0.74	19.9
• **Data-Design Laboratories** *engineering svcs*	24.5	25.1	219	16	97.9	6.0	3.89	99	10⅛	–5	0.98	11.1
Stryker *health care equipment*	24.5	18.2	208	20	70.2	5.8	7.00	0	23¼	–16	1.28	18.2
HBO & Co *hospital computer svcs*	24.4	29.9	892	35	67.6	10.0	2.47	8	22	13	0.74	29.7
• **Zero** *enclosures for electronics*	24.4	20.6	93	14	93.7	9.9	6.53	19	22¾	–12	1.35	16.9
Ultrasystems *construction*	24.2	[illegible]	571	70	76.6	4.9	4.62	0	18	11	0.88	21.4
• **Acro Energy** *solar energy*	24.2	13.8	957	20	15.0	0.6	3.83	37	2¼	–75	0.53	4.2
New Yorker Magazine *publishing*	24.1	19.7	100	[illegible]	74.7	5.3	32.22	0	135	–2	6.37	21.2
Hunt Manufacturing *office supplies*	24.0	20.2	135	15	85.0	6.1	7.45	16	22⅝	12	1.51	15.0
Kevlin Microwave *electronics*	24.0	17.2	270	27	7.5	0.8	1.86	2	5⅛	22	0.32	17.2
Ohio Mattress *mattresses & boxsprings*	23.9	10.8	137	18	98.8	7.7	6.53	19	16⅝	19	0.71	23.4
General Housewares *housewares*	23.8	11.2	44	16	87.0	4.4	12.68	27	13½	–19	1.43	9.4
Designatronics *electromech, mech components*	23.7	12.7	180	24	15.9	1.1	4.00	7	5¼	–30	0.51	10.3
Conwood Corp *tobacco products*	23.7	21.4	92	16	193.7	22.9	10.81	5	29⅞	25	2.32	12.9
• **TSR** *computer services*	23.5	15.6	397	11	16.6	1.0	5.74	2	12¾	131	0.90	14.2
Eaton Vance *investment advisory svcs*	23.4	30.6	349	51	18.8	4.0	7.08	49	19¾	–3	2.17	9.1
Computer Horizons *computer svcs*	23.4	25.0	401	183	34.4	2.3	3.40	2	5½	–60	0.85	6.5

Not all Up & Comers are in high-tech industries. The list includes two bowling centers and one funeral home chain.

Company/*business*	5-year average	latest 12 months	sales growth rate	EPS growth rate	Sales*	Profits*	Book value per share	Long-term debt/equity	recent	% change 1984	EPS	P/E
Metro Tel *electronics*	23.4	28.2	330	16	4.9	0.4	0.85	29	4¼	–10	0.24	17.7
Scurry-Rainbow Oil *oil and gas, mining*	23.2	18.1	256	12	60.7	17.1	7.84	5	14¼	–2	1.42	10.0
Camco *oilfield equip*	23.1	12.2	242	11	158.6	10.6	12.10	16	12⅞	9	1.48	8.7
• **BDM International A** *engineering and consulting*	22.9	22.0	359	21	151.1	6.4	6.63	0	31¾	0	1.46	21.7
Golden Enterprises *food processing*	22.8	22.0	136	23	100.9	8.7	5.36	1	16½	–10	1.18	14.0
• **United Bancorp of Arizona** *bank holding*	22.8	18.8	328	10	186.2	12.5	15.62	39	23¾	10	2.95	7.9
OEA *electronics*	22.7	17.9	125	45	33.0	4.5	5.69	4	20½	–15	1.56	13.1

*Latest fiscal year. •New addition to 1984 Up & Comer list. NM: Not meaningful.

Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; Forbes.

The Up & Comer 300

Company/*business*	Return on equity		—5-year—		Sales*	Profits*	Book value per share	Long-term debt/ equity	—Price—		Latest 12 months	
	5-year average	latest 12 months	sales growth rate	EPS growth rate	(millions)				recent	% change 1984	EPS	P/E
Unitrode *electronics*	22.7%	20.2%	311%	16%	$159.6	$16.7	$7.45	12%	29⅞	–7%	$1.51	19.8
Radiation Systems *antennas*	22.7	17.6	333	33	30.1	4.5	5.66	7	10½	–41	1.00	10.5
• **Berg Enterprises** *real estate*	22.6	36.6	10	42	57.4	7.9	4.45	1	12½	2	1.63	7.7
Astrosystems *computer equipment*	22.2	12.1	105	16	10.4	3.2	4.53	0	6¾	–10	0.55	12.3
• **Versa Technologies** *rubber products*	22.2	22.7	115	20	30.1	2.7	5.36	7	15¾	5	1.22	12.9
UST *bank holding*	22.1	22.5	448	20	75.6	7.3	13.38	32	19¾	–14	3.02	6.5
• **WA Krueger** *printing*	22.1	22.1	120	13	216.6	11.0	4.07	44	10	17	0.90	11.1
Sigma-Aldrich *specialty chemicals*	21.8	18.1	174	14	150.6	19.7	13.79	8	46¾	–5	2.50	18.7

The average Up & Comer company has sales of $90 million and profits of $8.5 million.

Company/*business*	5-year average	latest 12 months	sales growth rate	EPS growth rate	Sales*	Profits*	Book value per share	Long-term debt/ equity	recent	% change 1984	EPS	P/E
Piper, Jaffray *securities brokerage*	21.7	11.4	291	13	136.4	11.1	11.49	1	15⅛	–29	1.32	11.7
Oxford Exploration *oil & gas explor & devel*	21.4	16.6	190	11	1.5	0.2	0.24	17	¼	–34	0.04	7.0
North Fork Bancorp *bank holding*	21.4	16.8	408	22	26.5	4.1	23.28	0	25	–9	3.94	6.3
• **National Computer Sys** *optical scanning equipment*	21.3	20.1	227	16	81.6	7.3	6.14	43	18½	–2	1.24	14.9
Computer Products *electronics*	21.3	16.6	628	19	65.0	6.4	4.87	42	16⅞	–4	0.81	20.8
Chilton *financial svcs*	21.2	19.6	147	39	68.5	5.3	6.40	0	25	19	1.26	19.8
• **Arnold Industries** *trucking*	21.2	19.6	167	14	64.0	6.3	15.56	12	23¼	–21	3.05	7.6
Alpha Industries *electronics*	21.0	11.2	394	11	60.2	5.6	7.28	7	15	–30	0.82	18.3
Wallace Computer Svcs *business forms*	21.0	17.3	155	14	243.1	18.7	10.98	6	29¾	0	1.90	15.6
Chesapeake Utilities *natural gas*	20.8	19.8	465	12	53.0	2.1	13.28	25	18¾	17	2.64	6.9
• **Educational Computer** *training simulators*	20.7	14.4	276	39	19.2	2.3	3.53	22	7¾	–35	0.51	14.2
• **Analog Devices** *electronics*	20.7	24.0	324	27	214.0	18.4	5.19	21	25¼	–13	1.25	20.2
Floating Point Systems *computer equip*	20.7	17.8	977	43	100.2	13.1	9.67	3	17¾	–50	1.73	10.3
Timeplex *computer equip and svcs*	20.6	10.4	444	22	58.2	5.7	6.42	73	18	–7	0.67	26.9
California Microwave *telecomm equip*	20.3	16.3	288	21	112.5	5.9	4.28	7	9⅛	–52	0.70	13.0
First Railroad & Banking *bank holding*	20.1	18.6	510	24	200.5	19.1	16.58	49	27⅞	4	3.10	8.9
• **Fair Lanes** *bowling centers*	20.1	13.4	82	12	84.3	6.1	3.34	60	5⅛	–6	0.45	12.2
Dunkin' Donuts *fast food*	20.0	16.8	57	16	81.6	7.9	10.78	49	24¾	8	1.82	13.6
• **Optical Radiation** *precision instruments*	19.8	19.1	188	27	48.3	7.9	5.48	3	35	16	1.05	33.3

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Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes.*

The Up & Comer 300

Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year sales growth rate	5-year EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/ equity	Price recent	Price % change 1984	Latest 12 months EPS	Latest 12 months P/E
Sippican Inc *precision instruments*	19.8%	13.1%	347%	23%	$27.0	$2.6	$6.08	5%	14	–12%	$0.80	17.5
• **Syscon** *computer and tech svcs*	19.8	13.6	174	12	87.0	3.5	9.51	7	15¼	–15	1.30	11.7
Andrew Corp *telecomm equipment*	19.8	17.4	273	26	174.1	17.7	11.43	13	36½	–6	2.00	18.3
• **Bowl America** *bowling centers*	19.7	15.4	39	10	17.2	1.7	6.78	6	9⅝	–8	1.05	9.2
• **UTL** *electronics*	19.5	14.9	61	114	22.9	4.2	5.98	2	18	–2	0.87	20.7
Applied Data Research B *software*	19.5	19.1	426	62	89.1	7.0	9.45	31	24⅞	–11	1.81	13.7
• **Block Drug A** *proprietary drugs*	19.4	16.6	75	10	238.2	23.9	19.96	15	27	0	3.33	8.1
• **John Wiley & Sons B** *publishing*	19.4	18.3	139	11	185.0	12.3	15.89	13	30	–14	2.92	10.3
• **Software AG Sys Group** *software*	19.4	23.2	943	54	41.1	5.9	4.61	0	14⅛	14	1.07	13.2
Lumex *health care equipment*	19.3	11.2	260	16	43.8	3.0	5.68	52	15⅞	–16	0.64	24.8
• **Watsco B** *heating and cooling equip*	18.9	19.6	64	12	13.6	1.2	3.25	69	8⅝	24	0.64	13.5
Standard Motor Products *auto parts*	18.9	21.9	112	40	205.9	21.1	8.26	17	16⅞	–8	1.81	9.3
Valspar *paints*	18.9	19.2	93	24	161.6	10.2	9.57	11	19	7	1.84	10.3
George Banta *printing*	18.9	18.8	98	13	201.8	10.6	12.64	30	24¾	13	2.38	10.4
• **Protective Corp** *insurance*	18.9	16.6	101	11	225.3	19.0	25.03	27	30	2	4.17	7.2
• **Lilly Industrial Coatings A** *specialty chemicals*	18.8	22.9	114	21	124.0	7.1	5.25	3	12	–10	1.10	10.9
• **Preferred Risk Life Ins** *insurance*	18.8	15.1	78	10	21.9	5.4	19.15	0	22⅞	15	2.91	7.9
• **Eldon Industries** *office equipment*	18.8	14.5	63	10	46.4	3.0	7.64	1	13½	0	1.11	12.2
Galaxy Carpet Mills *carpet*	18.6	15.4	165	30	200.1	7.8	14.24	74	12	–37	2.20	5.5
Three D Departments B *retail*	18.6	13.8	90	13	50.7	2.0	3.89	31	6	–35	0.54	11.1
• **Bishop Graphics** *drafting aids, electronics*	18.6	21.4	100	21	12.3	0.9	2.47	11	4¾	–38	0.53	9.0
• **Espey Mfg & Electronics** *electrical equip*	18.4	36.2	130	78	16.4	3.8	8.72	0	27⅝	–11	3.16	8.7
• **Seven Oaks International** *coupon processing*	18.4	19.2	429	29	23.6	6.2	6.03	0	15¼	0	1.16	13.1
United Mo Bancshares *bank holding*	18.4	13.3	168	10	219.1	25.7	30.49	7	29	4	4.06	7.1
• **Oakwood Homes** *manufactured homes*	18.3	13.1	109	13	66.0	4.2	11.73	3	20⅝	18	1.54	13.4
• **Vishay Intertechnology** *electronics*	18.3	15.4	110	11	48.5	6.1	10.19	13	19⅜	1	1.57	12.3
• **Electromagnetic Sciences** *electronics*	18.3	16.6	581	49	18.6	2.7	5.18	14	21¼	18	0.86	24.7
• **EDO** *electronics*	18.3	16.5	64	34	110.6	10.1	7.90	5	17	–5	1.31	13.0
• **Wherehouse Entertainment** *retail*	18.2	23.4	79	111	105.5	4.5	4.10	32	14⅜	10	0.96	15.0
• **Citizens & Southern** *bank holding*	18.2	16.3	228	11	201.3	20.2	18.98	9	24¾	–8	3.11	8.0
• **Park Chemical** *chemicals*	18.2	21.3	82	11	16.4	1.3	11.24	0	20½	10	2.40	8.5

*Latest fiscal year. •New addition to 1984 Up & Comer list. NM: Not meaningful.

Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes.*

The Up & Comer 300

Company/*business*	Return on equity 5-year average	Return on equity latest 12 months	5-year sales growth rate	5-year EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/equity	Price recent	Price % change 1984	Latest 12 months EPS	Latest 12 months P/E
• **Tab Products** *office products*	18.1%	19.0%	101%	14%	$113.6	$6.3	$8.42	16%	16⅛	0%	$1.60	10.1
• **National Western Life Ins** *insurance*	18.1	14.5	122	130	110.4	7.3	11.58	0	9¾	–14	1.68	5.8
• **MacDermid** *specialty chemicals*	18.0	24.1	88	11	80.5	6.9	8.17	8	29¾	25	1.97	15.1
Aero Systems *aerospace*	18.0	12.3	332	14	27.3	1.0	1.05	23	2¾	–26	0.13	21.2
Service Corp International *funeral services*	18.0	15.2	158	23	214.6	29.0	18.53	30	44	25	2.83	15.5
• **Scitex Corp Ltd** *computer graphics*	17.9	11.2	955	25	71.0	9.3	9.40	11	17¼	–18	1.06	16.3
• **West Co** *packaging*	17.9	14.8	92	13	190.4	16.3	12.81	16	17¾	–31	1.90	9.3
• **Logicon** *computer services*	17.9	18.2	284	19	128.0	5.9	7.85	0	28⅜	–4	1.43	19.8
• **Conner Homes** *manufactured housing*	17.9	19.3	97	10	69.2	3.4	10.36	35	15	–9	2.00	7.5
• **Vortec** *industrial equipment*	17.8	20.1	212	12	3.3	0.6	2.93	17	7	47	0.59	11.9
Redken Laboratories *health care products*	17.8	16.2	68	14	86.3	6.4	17.00	13	33	13	2.76	12.0
Grand Auto *retail auto parts*	17.8	18.5	85	23	139.5	5.1	9.29	61	20½	–8	1.72	11.9
• **Brush Wellman** *beryllium*	17.7	19.4	144	11	245.4	25.7	9.54	17	35	25	1.86	18.8
• **United Aircraft Prods** *aerospace*	17.7	19.8	91	16	28.9	3.2	7.95	0	17	0	1.58	10.8
LTX *precision instruments*	17.7	16.3	NM	30	90.0	6.7	5.26	10	19¾	9	0.86	23.0
• **Quebecor** *publishing*	17.7	16.8	111	20	167.6	5.8	7.66	16	14⅝	19	1.29	11.3
• **Hibernia Corp A** *bank holding*	17.7	17.4	292	12	203.0	14.2	13.50	18	18¾	3	2.35	8.0
First Bancshares of La *bank holding*	17.6	15.5	169	16	125.9	13.0	11.81	16	19½	31	1.84	10.6
• **Zondervan** *publishing*	17.6	14.8	184	15	92.8	4.3	7.86	51	15	–12	1.17	12.8
• **Church & Dwight** *sodium bicarbonate*	17.6	16.5	53	11	152.1	10.1	6.63	39	10¼	–15	1.10	9.3
Megadata *computer equipment*	17.6	26.1	87	37	11.6	0.9	5.32	8	13	6	1.39	9.4
Fifth Third Bancorp *bank holding*	17.5	16.2	200	15	202.1	29.8	41.35	9	50¼	3	6.70	7.5
Lil' Champ Food Stores *convenience food stores*	17.5	17.5	202	16	80.3	2.2	7.52	45	18½	–14	1.32	14.0
• **Technical Tape** *tapes*	17.5	23.0	4	71	71.3	4.3	3.78	46	6	–25	0.87	6.9
• **Larsen Co** *food processing*	17.5	24.8	117	37	156.9	7.1	9.73	36	22½	32	2.42	9.3
Multibank Financial *bank holding*	17.5	14.8	133	16	155.5	11.6	26.86	22	31½	22	3.99	7.9
Langley Corp *aerospace*	17.5	12.0	65	13	10.2	0.9	4.88	0	6	–35	0.59	10.2

*Latest fiscal year. •New addition to 1984 Up & Comer list. NM: Not meaningful.

Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes*

Thirty-one Up & Comers are electronics companies, the largest single industry group.

The Up & Comer 300

Company/*business*	Return on equity 5-year average	Return on equity latest 12 months	5-year sales growth rate	5-year EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/ equity	Price recent	Price % change 1984	Latest 12 months EPS	Latest 12 months P/E
• **Seton** *leather*	17.4%	28.8%	61%	50%	$84.8	$4.7	$4.02	48%	17½	115%	$1.16	15.1
Angelica *apparel*	17.4	16.7	62	17	220.3	15.2	10.00	28	20	–11	1.67	12.0
• **Napco Security Systems** *protective alarms*	17.3	34.5	195	67	14.2	1.7	2.46	2	8¾	–2	0.85	10.3
• **Standard Microsystems** *electronics*	17.2	16.2	487	30	44.4	7.7	6.58	6	21⅜	–14	1.07	20.0
• **Scan-Optics** *computer equipment*	17.2	14.4	173	54	26.6	3.6	4.44	2	9½	–5	0.64	14.8
• **Prairie Oil Royalties** *oil and gas explor and devel*	17.1	16.8	263	27	9.5	4.8	15.97	0	25⅝	24	2.69	9.5
Fourth Financial *bank holding*	17.1	15.8	168	15	105.8	14.1	16.70	42	24	7	2.65	9.1
JM Smucker *food processing*	17.1	18.1	67	20	214.9	13.9	21.12	8	48¾	20	3.83	12.7
Sparton *electronics*	17.0	14.7	112	19	142.3	7.7	7.67	4	15⅝	–21	1.13	13.8
Florida Commercial Banks *bank holding*	17.0	15.8	144	12	71.7	6.4	13.02	37	23	6	2.07	11.1
• **Quixote** *protection and safety equip*	17.0	21.2	524	18	30.8	2.6	3.91	27	10¼	–24	0.83	12.3
Garan *apparel*	17.0	17.4	30	18	160.7	10.9	21.97	11	31¾	8	3.84	8.3

During the past 12 months, the typical Up & Comer earned a 19.6% return on equity.

Company/*business*	Return on equity 5-year average	Return on equity latest 12 months	5-year sales growth rate	5-year EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/ equity	Price recent	Price % change 1984	Latest 12 months EPS	Latest 12 months P/E
Black Hills Power & Light *electric utility, coal mining*	16.9	18.3	245	20	85.2	13.7	17.68	97	22½	0	3.24	6.9
Bank South *bank holding*	16.9	15.9	195	16	172.8	15.0	14.65	17	23¼	1	2.34	9.9
• **First Ohio Bancshares** *bank holding*	16.8	15.0	107	11	68.4	9.1	30.65	0	35½	16	4.60	7.7
• **USLICO** *insurance*	16.7	15.8	180	11	158.1	20.1	22.08	0	27½	19	3.50	7.9
• **Banker's Note** *retail*	16.6	13.0	NM	10	15.8	0.9	2.22	13	3⅝	–50	0.29	12.5
• **General Microwave** *precision instruments*	16.6	13.9	161	44	11.9	1.3	8.26	0	15¾	1	1.15	13.7
• **INTEK Diversified** *rubber and plastic products*	16.5	19.6	145	16	4.6	0.5	1.17	41	1¾	16	0.23	7.6
• **Blessings** *plastics*	16.5	11.9	67	12	80.7	3.0	19.70	42	22½	0	2.35	9.6
• **Sunwest Financial Svcs** *bank holding*	16.5	14.4	201	10	210.4	18.0	29.49	14	32	0	4.26	7.5
• **Comair** *airline*	16.5	18.1	NM	129	32.2	2.8	6.44	23	10½	–9	1.17	9.0
National State Bank *bank holding*	16.5	15.0	123	11	115.2	9.9	22.33	0	22¼	3	3.35	6.6
• **Research Industries** *proprietary drugs*	16.4	13.7	259	35	3.7	0.4	1.02	78	6½	–27	0.14	46.4
• **Standard Shares** *multicompany*	16.4	13.5	387	11	126.1	24.2	57.05	1	64¾	20	7.75	8.4
• **Columbus Mills** *carpet*	16.3	24.7	139	43	120.6	7.4	23.75	10	29	–12	5.88	4.9
• **Park Electrochemical** *electronics*	16.3	20.3	95	31	73.2	5.3	6.79	3	19⅜	–7	1.38	14.0

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Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes.*

The Up & Comer 300

Company/*business*	Return on equity 5-year average	Return on equity latest 12 months	5-year sales growth rate	5-year EPS growth rate	Sales* (millions)	Profits* (millions)	Book value per share	Long-term debt/equity	Price recent	Price % change 1984	Latest 12 months EPS	Latest 12 months P/E
• **Intertherm** *heating and cooling systems*	16.1%	14.9%	44%	12%	$83.4	$3.4	$6.89	12%	8	–17%	$1.03	7.8
• **Scope Indus** *recycling food wastes*	16.0	12.1	3	23	31.9	6.3	28.33	0	36⅞	0	3.43	10.8
• **Equity Oil** *oil and gas explor and dev*	15.9	16.5	106	14	21.0	5.8	3.27	0	7	–6	0.54	13.0
• **Telec[illegible]it** *finan[illegible] services*	15.9	16.6	223	28	70.8	4.8	5.83	1	25¼	13	0.97	26.0
• **Methode Electronics B** *electronics*	15.9	18.7	93	24	66.4	3.2	4.64	28	9¾	25	0.87	11.2
• **Adv Semicon Mtls Intl NV** *equip for semiconductor ind*	15.7	16.3	482	67	70.8	5.2	7.57	4	20	–42	1.24	16.1
• **Recoton** *home entertainment accessories*	15.7	17.0	133	64	21.9	1.4	4.00	15	8⅛	–21	0.68	11.9
• **Allen Organ B** *musical instruments*	15.6	13.7	43	12	19.4	3.0	33.55	1	45½	0	4.60	9.9
• **FirsTier** *bank holding*	15.6	15.0	114	10	109.1	10.6	46.39	13	43	3	6.98	6.2
• **Flexsteel Industries** *furniture*	15.4	17.4	50	13	130.5	7.7	9.24	17	12½	–21	1.61	7.8
• **Heilig-Meyers** *retail furniture and furnishings*	15.4	14.6	118	14	134.8	10.0	11.56	43	17⅞	–15	1.69	10.6
• **Coca-Cola Btlng Co Consol** *soft drinks, food svcs*	15.3	15.4	90	11	153.6	7.5	11.31	8	26¾	13	1.75	15.3
• **Canandaigua Wine** *wines*	15.3	18.4	120	35	78.5	7.1	19.30	21	27¼	–11	3.56	7.7
• **Technitrol** *electronics*	15.3	24.1	40	37	32.4	2.9	7.34	8	10⅞	–19	1.77	6.1
• **Lamaur** *cosmetics*	15.2	18.1	166	37	82.4	4.2	5.72	2	15⅝	–11	1.04	15.1
• **AccuRay** *electrical equipment*	15.2	13.8	62	31	116.5	5.3	10.32	47	19⅝	–22	1.43	13.7
• **Thomas Nelson** *publishing*	15.2	11.4	196	14	61.5	3.5	4.88	50	10½	–6	0.56	18.8
• **United Cos Financial** *insurance*	15.2	11.2	283	12	108.9	6.2	26.25	3	34⅜	–2	2.96	11.6
• **Cracker Brl Old Ctry Strs** *restaurants, retail*	15.0	12.6	300	17	56.9	2.7	7.75	48	18¼	–14	0.98	18.6
• **Mosinee Paper** *paper products*	15.0	16.8	102	11	129.5	7.1	10.69	30	13⅜	–1	1.80	7.4
• **Del Laboratories** *cosmetics, drugs*	14.9	18.6	81	24	75.6	3.2	15.57	84	31⅛	25	2.91	10.7
• **Wilmington Trust** *bank*	14.8	17.4	107	11	184.5	16.3	26.11	16	38½	22	4.55	8.5
• **Genovese Drug Stores** *drugstores*	14.7	20.9	144	37	193.8	3.9	4.92	57	12⅞	–25	1.03	12.5
• **Lane Co** *furniture*	14.7	16.9	93	13	227.0	18.1	24.25	0	37	–3	4.12	9.0
• **Security American Finl Ent** *insurance*	14.7	15.4	122	16	18.7	1.3	7.31	0	7¾	15	1.13	6.9
• **Mor-Flo Industries** *heating systems*	14.5	20.2	108	38	181.8	5.4	12.50	98	15⅞	–11	2.53	6.3
• **CCB Financial** *bank holding*	14.5	15.4	169	11	92.6	8.6	14.97	2	20¼	21	2.32	8.7
• **Ripley** *electronics*	14.4	14.6	75	80	4.8	0.3	4.15	2	8½	36	0.61	13.9
• **Technology for Commun** *telecommun equip*	14.4	11.0	198	26	21.0	4.0	5.78	5	8¼	–55	0.64	12.9
• **Utd Carolina Bancshares** *bank holding*	14.4	17.6	166	12	122.2	11.9	15.39	12	21⅛	3	2.72	7.9
Frisch's Restaurants *restaurants*	14.3	14.4	37	15	125.6	4.9	15.33	36	31⅝	1	2.21	14.2

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Sources: Standard & Poor's; William O'Neil & Co.; The Unlisted Market Guide; *Forbes.*

The Up & Comer Directory

This is an alphabetical listing of The Up & Comer 300. It shows how these growth-oriented companies rank in terms of sales, profits, market value and five-year average return on equity. The directory also includes the location, telephone number and stock ticker symbol for each company, as well as current market capitalization.

Where they rank								
sales	profits	market value	5-year average ROE	Ticker	Company	City/State	Telephone	Market value (millions)
217	269	285	124	ACMT	**ACMAT**	Hartford, CT	(203) 289-6493	$11.8
174	160	55	34	ASKI	**ASK Computer Sys**	Los Altos, CA	(415) 969-4442	186.4
101	44	70	50	ACIG	**Academy Insurance Group**	Valley Forge, PA	(215) 337-1400	162.2
94	184	155	285	ACRA	**AccuRay**	Columbus, OH	(614) 261-2000	81.2
276	293	299	140	ACRO	**Acro Energy**	Ontario, CA	(714) 947-4100	4.5
200	205	219	80	ADGE	**Adage**	Billerica, MA	(617) 667-7070	45.4
126	147	104	129	AAR	**Adams-Russell**	Waltham, MA	(617) 894-8540	127.8
166	187	90	275	ASMIF	**Adv Semicond Mtls Intl NV**	Bilthoven, Neth	30-781836	138.6
212	202	177	71	ASY	**Advanced Systems**	Arlington Heights, IL	(312) 981-1500	70.3
235	286	263	219	AESM	**Aero Systems**	Miami, FL	(305) 871-1300	22.4
214	212	224	75	ARX	**Aeroflex Labs**	Plainview, NY	(516) 694-6700	41.9
270	278	283	49	AFAP	**AFA Protective Sys**	New York, NY	(212) 279-5000	12.3
238	239	248	277	AORGB	**Allen Organ B**	Macungie, PA	(215) 966-2200	30.9
186	174	128	173	AHA	**Alpha Industries**	Woburn, MA	(617) 935-5150	105.9
197	203	257	5	ALMI	**Alpha Microsystems**	Irvine, CA	(714) 957-8500	25.7
96	22	115	68	AINC	**American Income Life Ins**	Waco, TX	(817) 772-3050	117.8
157	99	207	8	AFS	**Amfesco Industries**	Plainview, NY	(516) 694-7272	52.7
17	30	6	177	ADI	**Analog Devices**	Norwood, MA	(617) 329-4700	632.2
79	47	57	58	ALOG	**Analogic**	Peabody, MA	(617) 532-5660	182.6
41	33	22	187	ANDW	**Andrew Corp**	Orland Park, IL	(312) 349-3300	364.6
10	46	56	244	AGL	**Angelica**	St. Louis, MO	(314) 991-4150	185.2
122	176	157	95	ATM	**Anthem Electronics**	San Jose, CA	(408) 946-8000	79.6
129	140	108	190	ADR.B	**Applied Data Research B**	Princeton, NJ	(201) 874-9000	126.3
178	154	212	172	AIND	**Arnold Industries**	Lebanon, PA	(717) 274-2521	50.4
287	231	239	161	ASTR	**Astrosystems**	Lake Success, NY	(516) 328-1600	33.5
67	126	93	87	ATRC	**Atlantic Research**	Alexandria, VA	(703) 642-4000	137.1
257	270	232	41	AUXT	**Auxco**	Maitland, FL	(305) 660-8400	37.2
93	69	20	115	AVAK	**Avantek**	Santa Clara, CA	(408) 727-0700	367.0
60	56	133	92	AYD	**Aydin**	Horsham, PA	(215) 657-7510	100.5
43	48	74	256	BKSO	**Bank South**	Atlanta, GA	(404) 529-4111	154.6
275	291	295	259	BKNT	**Banker's Note**	Marietta, GA	(404) 424-1190	6.6
24	84	96	198	BNTA	**George Banta**	Menasha, WI	(414) 722-7771	134.8
62	153	75	154	BDM	**BDM International A**	McLean, VA	(703) 821-5000	154.3
190	117	199	160	BRG	**Berg Enterprises**	Iselin, NJ	(201) 494-3200	59.5
284	289	290	205	BGPH	**Bishop Graphics**	Westlake Village, CA	(213) 991-2600	9.7
133	60	136	255	BHP	**Black Hills Power & Light**	Rapid City, SD	(605) 348-1700	98.1

*Latest fiscal year.

The Up & Comer Directory

Where they rank: sales	profits	market value	5-year average ROE	Ticker	Company	City/State	Telephone	Market value (millions)
144	240	259	262	BCO	**Blessings**	Piscataway, NJ	(201) 457-0330	$ 24.3
5	15	50	191	BLOCA	**Block Drug A**	Jersey City, NJ	(201) 434-3000	198.1
241	189	119	31	BLR	**Bolar Pharmaceutical**	Copiague, NY	(516) 842-8383	115.8
269	267	276	188	BWL	**Bowl America**	Springfield, VA	(703) 941-6300	15.2
1	11	5	228	BW	**Brush Wellman**	Cleveland, OH	(216) 443-1000	648.5
28	34	86	84	CPTC	**CPT Corp**	Eden Prairie, MN	(612) 937-8000	143.9
100	167	159	180	CMIC	**California Microwave**	Sunnyvale, CA	(408) 732-4000	76.1
53	86	143	153	CAM	**Camco**	Houston, TX	(713) 747-4000	94.0
34	6	14	98	CMW	**Canadian Marconi**	Montreal, Quebec, Canada	(514) 341-7630	412.8
149	139	208	282	CDG	**Canandaigua Wine**	Canandaigua, NY	(716) 394-3630	52.0
88	198	168	4	CRL	**Carrols Corp**	Syracuse, NY	(315) 424-0513	72.5
125	109	151	296	CCBF	**CCB Financial**	Durham, NC	(919) 683-7777	84.8
223	279	286	79	CRBRA	**Cerberonics A**	Bailey's Crossroads, VA	(703) 379-4500	11.7
4	35	28	66	CHRS	**Charming Shoppes**	Bensalem, PA	(215) 245-9100	334.1
196	256	271	175	CHPK	**Chesapeake Utilities**	Salisbury, MD	(301) 742-1177	18.9
169	181	117	171	CHN	**Chilton**	Dallas, TX	(214) 699-6111	116.7
61	89	131	235	CRCH	**Church & Dwight**	Piscataway, NJ	(201) 885-1220	101.8
248	186	113	55	CHYC	**Chyron**	Melville, NY	(516) 694-7137	121.6
26	23	67	214	CITS	**Citizens & Southern**	Columbia, SC	(803) 765-8011	170.2
59	128	102	281	COKE	**Coca-Cola Bottling Co Consol**	Charlotte, NC	(704) 334-6851	128.1
90	130	218	268	COLM	**Columbus Mills**	Columbus, GA	(404) 324-0111	45.8
224	244	254	264	COMR	**Comair**	Cincinnati, OH	(606) 525-2550	27.8
180	76	35	39	CASH	**Comdata Network**	Nashville, TN	(615) 385-0400	272.2
177	83	37	132	COMM	**Communications Inds**	Dallas, TX	(214) 357-4001	266.0
216	218	194	122	CSII	**Communications Systems**	Hector, MN	(612) 848-6231	60.6
71	8	1	48	CMY	**Community Psych Centers**	San Francisco, CA	(415) 397-6151	801.5
294	298	296	57	CMUC	**Comp-U-Check**	Southfield, MI	(313) 569-1448	6.6
107	55	39	30	CMPH	**Comprehensive Care**	Newport Beach, CA	(714) 640-8950	255.8
137	100	61	6	CASI	**Computer Associates Intl**	Jericho, NY	(516) 333-6700	178.8
192	243	236	112	CPTD	**Computer Data Systems**	Rockville, MD	(301) 921-7000	34.4
218	253	281	150	CHRZ	**Computer Horizons**	New York, NY	(212) 371-9600	13.5
175	150	76	170	CPRD	**Computer Products**	Pompano Beach, FL	(305) 974-5500	153.6
168	227	221	224	CNR	**Conner Homes**	Newport, NC	(919) 223-5121	43.8
31	16	29	147	CWD	**Conwood Corp**	Memphis, TN	(901) 761-2050	332.7
191	245	211	288	CBRL	**Cracker Brl Old Ctry Strs**	Lebanon, TN	(615) 444-5533	50.9
45	9	2	103	CYR	**Cray Research**	Mendota Heights, MN	(612) 452-6650	762.5
91	41	7	28	CUL	**Cullinet Software**	Westwood, MA	(617) 329-7700	599.4
233	260	226	21	CYCR	**CyCare Systems**	Dubuque, IA	(319) 556-3131	40.8
119	164	188	135	DDES	**Data-Design Laboratories**	Cucamonga, CA	(714) 987-2511	65.9
211	251	230	105	DBAS	**DBA Systems**	Melbourne, FL	(305) 727-0660	39.1
153	229	244	290	DLI	**Del Laboratories**	Farmingdale, NY	(516) 293-7070	32.6
274	283	284	146	DSG	**Designatronics**	New Hyde Park, NY	(516) 328-3300	12.1
243	223	203	35	DRAN	**Dranetz Technologies**	Edison, NJ	(201) 287-3680	56.2
150	178	138	14	DRYR	**Dreyer's Grand Ice Cream**	Oakland, CA	(415) 652-8187	96.3

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sales	profits	market value	5-year average ROE	Ticker	Company	City/State	Telephone	Market value (millions)
82	2	21	9	DRY	**Dreyfus Corp**	New York, NY	(212) 715-6000	$366.0
141	115	116	183	DUNK	**Dunkin' Donuts**	Randolph, MA	(617) 961-4000	117.3
65	79	65	67	DYTC	**Dynatech**	Burlington, MA	(617) 272-3304	174.0
102	90	92	212	EDO	**EDO**	New York, NY	(212) 445-6000	137.5
260	217	233	149	EAVN	**Eaton Vance**	Boston, MA	(617) 482-8260	26.1
259	252	246	176	EDCC	**Educational Computer**	Orlando, FL	(305) 859-7410	31.6
264	271	253	113	EIPM	**EIP Microwave**	Newport Beach, CA	(714) 756-8171	28.5
205	238	220	202	ELDN	**Eldon Industries**	Inglewood, CA	(213) 642-7716	45.3
159	94	94	90	ELRC	**Electro Rent**	Santa Monica, CA	(213) 452-3200	136.3
262	248	165	211	ELMG	**Electromagnetic Sciences**	Norcross, GA	(404) 448-5770	73.3
147	113	46	24	ELEC	**Electrospace Systems**	Richardson, TX	(214) 231-9303	224.8
121	116	156	120	EBF	**Ennis Business Forms**	Ennis, TX	(214) 875-6581	80.2
253	171	153	272	EQTY	**Equity Oil**	Salt Lake City, UT	(801) 521-3515	82.3
272	220	240	206	ESP	**Espey Mfg & Electronics**	Saratoga Springs, NY	(518) 584-4100	33.4
185	82	51	89	ESCC	**Evans & Sutherland Comp**	Salt Lake City, UT	(801) 582-5847	194.0
138	161	170	182	FAIR	**Fair Lanes**	Baltimore, MD	(301) 788-6300	71.5
20	49	78	107	FRA	**Farah Manufacturing**	El Paso, TX	(915) 593-4444	152.1
23	4	42	237	FITB	**Fifth Third Bancorp**	Cincinnati, OH	(513) 579-5300	235.6
179	112	169	104	FIAMA	**First American Bank & Trust**	Lake Worth, FL	(305) 582-2544	71.7
84	64	84	233	FBLA	**First Bancshares of La**	Baton Rouge, LA	(504) 389-3692	145.4
104	85	132	278	FRST	**FirsTier**	Omaha, NE	(402) 471-1275	101.0
170	103	167	257	FIRO	**First Ohio Bancshares**	Toledo, OH	(419) 259-6806	72.7
27	26	41	181	FRRG	**First Railroad & Banking**	Augusta, GA	(404) 823-2753	243.6
76	124	198	279	FLXS	**Flexsteel Industries**	Dubuque, IA	(319) 556-7730	59.7
143	19	13	69	FSI	**FlightSafety Intl**	Flushing, NY	(718) 565-4100	458.4
115	62	79	178	FLP	**Floating Point Systems**	Portland, OR	(503) 641-3151	151.9
161	151	166	252	FLBK	**Florida Commercial Banks**	Miami, FL	(305) 266-2600	73.1
256	241	158	27	FRX	**Forest Laboratories**	New York, NY	(212) 421-7850	76.8
109	54	97	249	FRTH	**Fourth Financial**	Wichita, KS	(316) 261-4444	134.4
245	236	174	63	FRRI	**Franklin Resources**	San Mateo, CA	(415) 570-3000	70.6
268	234	190	72	FEI	**Frequency Electronics**	Mitchel Field, NY	(516) 794-4500	62.8
85	192	181	300	FRS	**Frisch's Restaurants**	Cincinnati, OH	(513) 961-2660	68.7
282	261	261	1	GTSC	**GTS**	Houston, TX	(713) 847-2951	22.7
29	120	227	203	GXY	**Galaxy Carpet Mills**	Elk Grove, IL	(312) 593-0555	40.4
51	80	129	254	GAN	**Garan**	New York, NY	(212) 563-2000	103.8
130	204	243	145	GHW	**General Housewares**	Stamford, CT	(203) 325-4141	32.8
285	277	268	260	GMIC	**General Microwave**	Farmingdale, NY	(516) 694-3600	20.4
215	246	258	15	GPHY	**General Physics**	Columbia, MD	(301) 694-3600	25.1
30	219	210	292	GDX	**Genovese Drug Stores**	Melville, NY	(516) 420-1900	51.7
228	265	293	12	GBFH	**Georgia Bonded Fibers**	Newark, NJ	(201) 642-3547	7.8
266	129	228	118	GEO	**Geothermal Resources Intl**	Menlo Park, CA	(415) 326-5470	40.4
42	50	32	128	GRB	**Gerber Scientific**	South Windsor, CT	(203) 644-1551	306.9
114	106	114	155	GLDC	**Golden Enterprises**	Birmingham, AL	(205) 326-6101	120.7
70	188	193	227	GAI	**Grand Auto**	Oakland, CA	(415) 568-6500	61.2

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sales	profits	market value	5-year average ROE	Ticker	Company	City/State	Telephone	Market value (millions)
33	21	16	114	GH	**John H Harland**	Decatur, GA	(404) 981-9460	$397.3
252	255	262	126	HATH	**Hathaway Corp**	Denver, CO	(303) 756-8301	22.5
171	93	24	137	HBOC	**HBO & Co**	Atlanta, GA	(404) 393-6000	355.5
75	95	123	280	HMY	**Heilig-Meyers**	Richmond, VA	(804) 359-9171	111.1
22	53	105	232	HIBCA	**Hibernia Corp A**	New Orleans, LA	(504) 586-5331	127.3
135	163	127	142	HUN	**Hunt Manufacturing**	Philadelphia, PA	(215) 732-7700	106.0
263	276	279	22	INTO	**Initio**	Carson City, NV	(702) 883-2711	14.1
297	295	297	261	IDCC	**INTEK Diversified**	Los Angeles, CA	(213) 870-7665	5.5
127	105	98	23	INTS	**Intelligent Systems**	Norcross, GA	(404) 441-0611	133.3
237	235	162	109	INTR	**Intermec**	Lynnwood, WA	(206) 743-7036	75.4
162	194	118	100	ICLB	**International Clinical Labs**	Nashville, TN	(615) 327-1025	116.2
108	169	195	70	INC	**International Controls**	Thomaston, CT	(203) 283-8205	60.2
187	107	100	25	IGAM	**International Game Tech**	Reno, NV	(702) 323-5060	131.6
139	228	250	270	ITHM	**Intertherm**	St. Louis, MO	(314) 822-9600	30.1
25	144	161	111	KDI	**KDI**	Cincinnati, OH	(513) 272-1421	75.6
98	214	187	134	KASL	**Kasler**	Highland, CA	(714) 884-4811	66.6
292	292	282	143	KVLM	**Kevlin Microwave**	Woburn, MA	(617) 935-4800	12.9
81	28	9	17	KPH	**Key Pharmaceuticals**	Miami, FL	(305) 652-2276	535.5
158	121	183	32	KROY	**Kroy**	Scottsdale, AZ	(602) 948-2222	68.1
13	78	83	164	KRUE	**WA Krueger**	Scottsdale, AZ	(602) 948-5650	148.4
128	146	77	230	LTXX	**LTX**	Westwood, MA	(617) 329-7550	152.4
140	211	179	284	LMR	**Lamaur**	Minneapolis, MN	(612) 571-1234	68.9
7	31	52	293	LANE	**Lane Co**	Altavista, VA	(804) 369-5641	193.5
288	290	291	242	LCOR	**Langley Corp**	San Diego, CA	(619) 264-3181	8.0
56	137	171	240	LARS	**Larsen Co**	Green Bay, WI	(414) 435-5301	70.8
12	127	201	7	LDBC	**LD Brinkman**	Kerrville, TX	(512) 896-5111	57.3
46	17	26	2	LEE	**Lee Enterprises**	Davenport, IA	(319) 383-2202	343.8
40	74	31	93	LIEB	**Liebert**	Columbus, OH	(614) 888-0246	307.4
146	254	245	238	LCFS	**Lil' Champ Food Stores**	Jacksonville, FL	(904) 724-1661	32.1
86	136	148	200	LICIA	**Lilly Industrial Coatings A**	Indianapolis, IN	(317) 634-8512	88.2
6	18	10	40	LIZC	**Liz Claiborne**	New York, NY	(212) 354-4900	501.6
80	166	112	223	LGN	**Logicon**	Torrance, CA	(213) 373-0220	124.8
68	57	25	101	LUB	**Luby's Cafeterias**	San Antonio, TX	(512) 654-9000	347.4
208	237	196	194	LUM	**Lumex**	Bay Shore, NY	(516) 273-2200	60.1
66	142	176	96	LUR	**L Luria & Son**	Miami Lakes, FL	(305) 557-9000	70.5
113	191	255	61	LYND	**Lynden**	Seattle, WA	(206) 241-8778	26.1
145	141	124	218	MACD	**MacDermid**	Waterbury, CT	(203) 575-5700	108.2
193	179	49	62	MAX	**Matrix Corp**	Northvale, NJ	(201) 767-1750	202.6
188	149	126	127	MTRX	**Matrix Science**	Torrance, CA	(213) 328-0271	106.3
283	275	247	20	MDEX	**Medex**	Hilliard, OH	(614) 876-2413	31.6
286	287	277	236	MDTA	**Megadata**	Bohemia, NY	(516) 589-6800	14.9
289	284	164	97	MNTR	**Mentor**	Minneapolis, MN	(612) 588-4685	74.6
172	233	217	274	METHB	**Methode Electronics B**	Chicago, IL	(312) 867-9600	46.3
295	296	294	151	MTRO	**Metro Tel**	Syosset, NY	(516) 364-3377	7.3

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sales	profits	market value	5-year average ROE	Ticker	Company	City/State	Telephone	Market value (millions)
111	88	30	52	MMIC	**Monolithic Memories**	Santa Clara, CA	(408) 970-9700	$319.9
37	180	229	295	MORF	**Mor-Flo Industries**	Cleveland, OH	(216) 663-7300	40.4
77	138	180	289	MOSI	**Mosinee Paper**	Mosinee, WI	(715) 693-2111	68.8
57	71	142	241	MLTF	**Multibank Financial**	Quincy, MA	(617) 471-3800	94.1
213	197	33	45	MYLN	**Mylan Laboratories**	Pittsburgh, PA	(412) 232-0100	296.0
39	59	63	85	NBI	**NBI**	Boulder, CO	(303) 444-5710	176.4
225	264	265	16	NAN	**Nantucket Industries**	New York, NY	(212) 889-5656	20.9
279	268	274	245	NSSC	**Napco Security Systems**	Copiague, NY	(516) 842-9400	16.8
142	134	109	169	NLCS	**National Computer Systems**	Eden Prairie, MN	(612) 830-7600	125.9
54	104	60	18	NEC	**National Education**	Newport Beach, CA	(714) 546-7360	179.0
97	96	185	265	NSBK	**National State Bank**	Elizabeth, NJ	(201) 354-3400	66.7
103	132	237	217	NWLIA	**National Western Life Ins**	Austin, TX	(512) 836-1010	33.8
231	272	288	10	AMTC	**Nature's Sunshine Products**	Spanish Fork, UT	(801) 798-9861	10.5
204	92	11	53	NSCO	**Network Systems**	Brooklyn Park, MN	(612) 425-2202	501.4
206	232	81	106	NGNA	**Neutrogena**	Los Angeles, CA	(213) 642-1150	149.6
72	63	38	60	NEBS	**New England Business Svc**	Groton, MA	(617) 448-6111	258.6
277	182	234	121	NZ	**New Mexico and Arizona Land**	Phoenix, AZ	(602) 266-5455	36.0
156	183	121	141	NYKR	**New Yorker Magazine**	New York, NY	(212) 840-3800	112.0
234	143	48	42	NEWP	**Newport Corp**	Fountain Valley, CA	(714) 963-9811	205.7
239	215	260	168	NFBC	**North Fork Bancorp**	Mattituck, NY	(516) 298-8366	23.2
106	108	95	131	OSL	**O'Sullivan**	Winchester, VA	(703) 667-6666	136.0
220	199	184	157	OEA	**OEA**	Denver, CO	(303) 693-1248	68.0
173	209	172	209	OMH	**Oakwood Homes**	Greensboro, NC	(919) 292-7061	70.7
117	125	36	144	OMT	**Ohio Mattress**	Cleveland, OH	(216) 522-1310	268.5
202	118	40	184	ORCO	**Optical Radiation**	Azusa, CA	(213) 969-3344	246.7
300	300	300	167	OXEX	**Oxford Exploration**	Denver, CO	(303) 572-3821	2.6
148	81	173	88	PSX	**Pacific Scientific**	Anaheim, CA	(714) 535-8141	70.7
3	3	3	73	PLL	**Pall**	Glen Cove, NY	(516) 671-4000	653.2
89	91	111	94	PI	**Pandick Inc**	New York, NY	(212) 741-5555	125.1
195	111	137	33	PANS	**Pansophic Systems**	Oak Brook, IL	(312) 986-6000	96.9
273	280	280	215	PAK	**Park Chemical**	Detroit, MI	(313) 895-7215	14.1
160	165	135	269	PKE	**Park Electrochemical**	Lake Success, NY	(516) 354-4100	99.5
9	1	8	44	PICN	**Pic'n'Save**	Carson, CA	(213) 537-9220	567.7
246	148	139	3	PIOG	**Pioneer Group**	Boston, MA	(617) 742-7825	96.0
73	75	202	166	PJH	**Piper, Jaffray**	Minneapolis, MN	(612) 371-6111	57.1
219	157	209	38	PLEN	**Plenum Publishing**	New York, NY	(212) 620-8000	51.8
265	213	192	56	PIP	**Postal Instant Press**	Los Angeles, CA	(213) 653-8750	61.9
290	193	213	248	POY	**Prairie Oil Royalties**	Calgary, Alberta, Canada	(403) 231-0111	50.2
249	177	222	201	PFDR	**Preferred Risk Life Ins**	West Des Moines, IA	(515) 225-5000	43.6
120	36	27	29	PDQ	**Prime Motor Inns**	Fairfield, NJ	(201) 882-1010	338.3
95	119	141	125	PTNX	**Printronix**	Irvine, CA	(714) 863-1900	95.2
8	27	80	199	PROT	**Protective Corp**	Birmingham, AL	(205) 879-9230	149.7
118	61	88	43	BTU	**Pyro Energy**	Evansville, IN	(812) 473-8600	141.5
48	170	160	231	PQB	**Quebecor**	Montreal, Quebec, Canada	(514) 282-9600	75.8

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227	249	241	253	QUIX	**Quixote**	Chicago, IL	(312) 467-6755	$33.2
58	14	19	81	QUOT	**Quotron Systems**	Los Angeles, CA	(213) 827-4600	384.3
230	200	215	159	RADS	**Radiation Systems**	Sterling, VA	(703) 450-5680	47.2
250	274	266	276	RCOT	**Recoton**	Long Island City, NY	(212) 392-6442	20.8
132	152	146	226	RDKN	**Redken Laboratories**	Canoga Park, CA	(213) 992-2700	89.7
298	297	251	266	REIC	**Research Industries**	Salt Lake City, UT	(801) 972-5500	30.0
296	299	298	297	RIPY	**Ripley**	Cromwell, CT	(203) 635-2200	4.9
181	165	134	110	RNIC	**Robinson Nugent**	New Albany, IN	(812) 945-0211	100.0
209	175	144	51	SFCD	**SafeCard Services**	Fort Lauderdale, FL	(305) 565-2131	93.6
47	77	59	46	SCB	**Safeguard Business Sys**	Fort Washington, PA	(215) 641-5000	179.2
49	45	23	91	SK	**Safety-Kleen**	Elgin, IL	(312) 697-8460	362.5
154	66	110	13	SAG	**Sage Energy**	San Antonio, TX	(512) 271-7200	125.7
240	207	189	36	STJM	**St Jude Medical**	St. Paul, MN	(612) 483-2000	65.9
238	224	205	247	SOCR	**Scan-Optics**	Hartford, CT	(203) 289-6001	54.9
164	101	69	221	SCIXF	**Scitex Corp Ltd**	Herzlia, Israel	052-53555	165.0
226	156	186	271	SCP	**Scope Industries**	Santa Monica, CA	(213) 458-1574	66.7
184	37	54	152	SRB	**Scurry-Rainbow Oil**	Calgary, Alberta, Canada	(403) 232-7100	190.8
261	281	289	294	SAFE	**Security American Finl Ent**	Minneapolis, MN	(612) 333-1295	9.9
242	222	223	65	SLIC	**Security Life Ins of Georgia**	Macon, GA	(912) 746-2431	43.0
16	5	12	220	SRV	**Service Corp International**	Houston, TX	(713) 522-5141	467.2
136	196	147	243	SEL	**Seton**	Newark, NJ	(201) 485-4800	89.7
244	159	154	207	QPON	**Seven Oaks International**	Memphis, TN	(901) 683-7055	82.0
18	7	4	64	SMED	**Shared Medical Systems**	Malvern, PA	(215) 296-6300	648.7
63	25	15	165	SIAL	**Sigma-Aldrich**	St. Louis, MO	(314) 771-5765	403.9
203	102	140	54	SILN	**Silicon General**	Garden Grove, CA	(714) 892-5531	96.0
236	250	225	185	SOSI	**Sippican Inc**	Marion, MA	(617) 748-1160	41.8
15	58	58	250	SJM	**JM Smucker**	Orrville, OH	(216) 682-0015	180.3
210	168	149	193	SAGA	**Software AG Systems Group**	Reston, VA	(703) 860-5050	86.1
155	52	44	78	SWN	**Southwestern Energy**	Fayetteville, AR	(501) 521-1141	225.8
69	122	125	251	SPA	**Sparton**	Jackson, MI	(517) 787-8600	107.1
221	221	200	59	SPDY	**Spectradyne**	Richardson, TX	(214) 234-2721	59.3
267	262	238	117	SPEC	**Spectrum Control**	Erie, PA	(814) 455-0966	33.8
207	123	43	246	SMSC	**Standard Microsystems**	Hauppauge, NY	(516) 273-3100	231.4
21	20	47	196	SMP	**Standard Motor Products**	Long Island City, NY	(212) 392-0200	221.5
83	12	68	267	SWD	**Standard Shares**	New York, NY	(212) 697-4767	169.6
293	273	273	108	STKR	**Stocker & Yale**	Beverly, MA	(617) 284-3248	17.3
167	172	120	136	STRY	**Stryker**	Kalamazoo, MI	(616) 381-3811	115.0
19	32	87	263	SFSI	**Sunwest Financial Svcs**	Albuquerque, NM	(505) 765-2525	142.7
251	266	275	99	SMIC	**Superior Mfg & Instr**	Long Island City, NY	(212) 932-1800	16.2
131	225	216	186	SCON	**Syscon**	Washington, D.C.	(202) 342-4000	47.2
271	285	278	148	TSRI	**TSR**	Hauppauge, NY	(516) 231-0333	14.5
99	155	175	216	TBP	**Tab Products**	Palo Alto, CA	(415) 852-2400	70.6
291	288	287	119	TECN	**Technalysis**	Minneapolis, MN	(612) 925-5900	11.5
163	208	252	239	TTI	**Technical Tape**	New Rochelle, NY	(914) 235-1000	28.7

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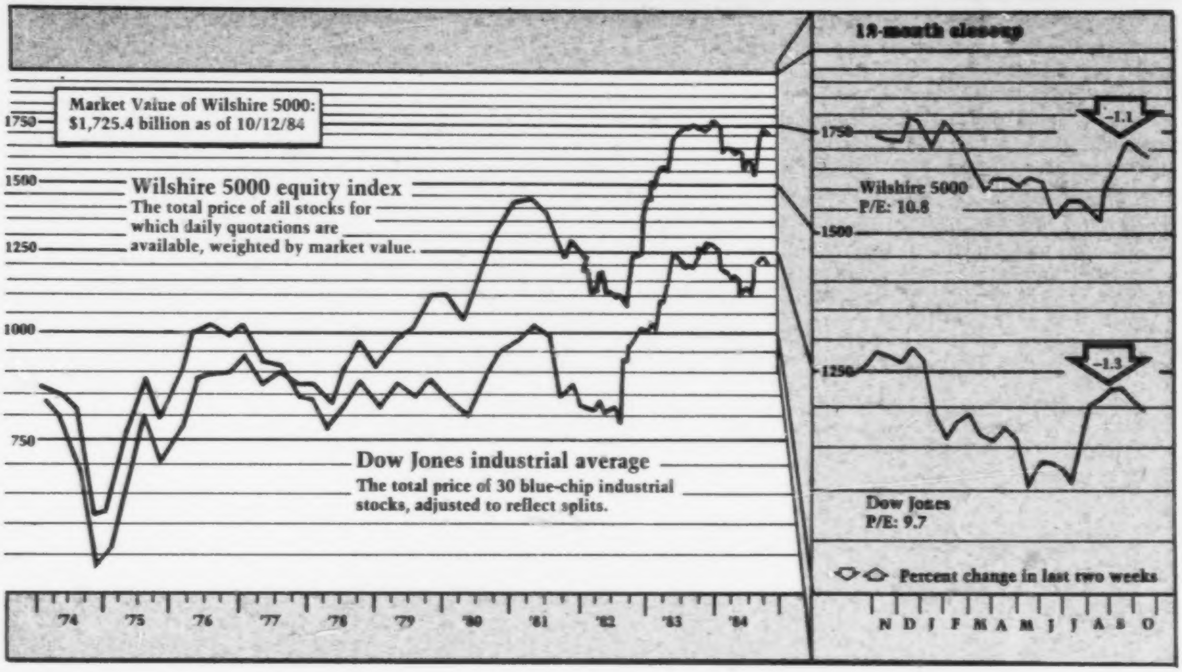
The Up & Comer Directory

Where they rank								
sales	profits	market value	5-year average ROE	Ticker	Company	City/State	Telephone	Market value (millions)
222	242	264	283	TNL	**Technitrol**	Philadelphia, PA	(215) 426-9105	$ 21.8
254	216	256	298	TCII	**Technology for Commun**	Mountain View, CA	(415) 961-9180	25.8
165	195	103	273	TCRD	**Telecredit**	Los Angeles, CA	(213) 277-4061	128.0
78	98	99	133	TFX	**Teleflex**	Limerick, PA	(215) 948-5100	132.6
134	65	45	47	TLAB	**Tellabs**	Lisle, IL	(312) 969-8800	225.8
183	226	206	286	TNEL	**Thomas Nelson**	Nashville, TN	(615) 889-9000	53.7
64	40	62	19	TM	**Thompson Medical**	New York, NY	(212) 688-4420	176.8
198	259	267	204	TDD.B	**Three D Departments B**	East Hartford, CT	(203) 569-6720	20.5
189	173	82	179	TIX	**Timeplex**	Rochelle Park, NJ	(201) 368-1113	148.8
278	257	269	26	TRNT	**TransNet**	Union, NJ	(201) 688-7800	20.2
112	110	182	102	TT	**TransTechnology**	Sherman Oaks, CA	(213) 990-5920	68.4
255	258	270	116	TRON	**Trion**	Sanford, NC	(919) 775-2201	19.3
182	73	145	130	TUR	**Turner Corp**	New York, NY	(212) 878-0300	93.0
55	24	66	258	USVC	**USLICO**	Washington, D.C.	(202) 298-7580	171.3
152	133	191	163	USTB	**UST**	Boston, MA	(617) 726-7000	62.8
247	210	150	189	UTLC	**UTL**	Dallas, TX	(214) 350-7601	85.8
151	190	85	139	ULTR	**Ultrasystems**	Irvine, CA	(714) 863-7000	145.2
14	131	204	77	UNFI	**Unifi**	Greensboro, NC	(919) 294-4410	55.6
232	230	235	229	UAP	**United Aircraft Prods**	New York, NY	(212) 758-8970	35.5
74	68	101	156	UBAZ	**United Bancorp of Arizona**	Phoenix, AZ	(602) 248-2200	128.8
87	70	130	299	UCAR	**United Carolina Bancshares**	Whiteville, NC	(919) 642-5131	102.7
105	158	214	287	UCF	**United Cos Financial**	Baton Rouge, LA	(504) 924-6007	48.8
280	263	249	82	UM	**United Medical**	Haddonfield, NJ	(609) 354-2200	30.6
11	10	53	208	UMSB	**United Missouri Bancshares**	Kansas City, MO	(816) 283-1100	193.1
52	39	17	158	UTR	**Unitrode**	Lexington, MA	(617) 861-6540	390.1
50	87	122	197	VAL	**Valspar**	Minneapolis, MN	(612) 332-7371	111.5
194	135	107	123	VELCF	**Velcro Industries NV**	Netherlands Antilles	(603) 625-2992	127.1
44	51	73	86	VRB	**Verbatim**	Sunnyvale, CA	(408) 245-4400	155.5
229	247	231	162	VRSA	**Versa Technologies**	Racine, WI	(414) 554-7575	37.4
201	162	163	210	VSH	**Vishay Intertechnology**	Malvern, PA	(215) 644-1300	75.3
299	294	292	225	VRTX	**Vortec**	Cincinnati, OH	(513) 891-7474	8.0
199	114	71	11	WDFC	**WD-40**	San Diego, CA	(619) 275-1400	161.0
2	29	34	174	WCS	**Wallace Computer Services**	Hillside, IL	(312) 626-2000	290.8
281	282	272	195	WSO.B	**Watsco B**	Hialeah, FL	(305) 885-1911	17.6
32	42	89	222	WST	**West Co**	Phoenixville, PA	(215) 935-4500	140.4
110	201	178	213	WEI	**Wherehouse Entertainment**	Gardena, CA	(213) 538-2314	69.6
176	72	152	74	WHT	**Whitehall Corp**	Dallas, TX	(214) 247-8747	83.4
35	67	106	192	WILLB	**John Wiley & Sons B**	New York, NY	(212) 850-6000	127.2
36	43	72	291	WILM	**Wilmington Trust**	Wilmington, DE	(302) 651-1000	156.3
38	13	18	76	XIDX	**Xidex**	Mountain View, CA	(415) 965-7350	384.5
116	145	242	83	YNK	**Yankee Oil & Gas**	Cohasset, MA	(617) 383-1500	33.0
92	38	91	37	ZNAT	**Zenith National Insurance**	Encino, CA	(213) 990-9300	138.5
123	97	64	138	ZRO	**Zero**	Burbank, CA	(818) 846-4191	174.2
124	206	197	234	ZOND	**Zondervan**	Grand Rapids, MI	(616) 459-6900	60.0

*Latest fiscal year.

The Forbes/Wilshire 5000 Review



Why buy when it may pay to wait? Investors must be spending lots of time watching football and talking about the election. There isn't much enthusiasm on Wall Street these days for plunging into stocks—especially since little, if anything, is likely to be accomplished with the budget and trade deficits until after Americans go to the polls. The slowing economy is also raising caution flags. One casualty of this uncertainty is that the market has lost virtually all the gains it racked up early in August.

The Dow industrials show the worst four-week performance, with a 3.8% decline. During the last two weeks this 30-stock blue-chip yardstick was off 1.3%. The NYSE lost 1%, the Amex 1.8% and the NASDAQ 1.5% over the same period. A 1.1% decline in the Wilshire index also means a loss of nearly $45 billion in capitalization.

The yardsticks below indicate that quality stocks were the focus of what little buying interest there was. Over the last four weeks low-volatility issues gained 1.9%, while high-volatility shares lost 3.2%. Low-P/E stocks rose 1.5%, but issues with high P/Es fell 3.3%. And investors strongly preferred high-yielding and low-growth issues over their low-payout, high-growth counterparts.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–2.5	–2.3	–3.8	–2.3	–2.2	–3.7
in last 52 weeks	–5.5	–3.0	–5.8	–3.3	–7.2	–15.1

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–2.0	–1.9	–3.2	1.9	–3.3	1.5	2.2	–3.1	–3.2	1.0	–1.7	–4.0
in last 52 weeks	–4.2	–6.9	–12.6	8.2	–18.5	4.8	4.7	–9.7	–10.9	6.4	0.7	–15.3

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates

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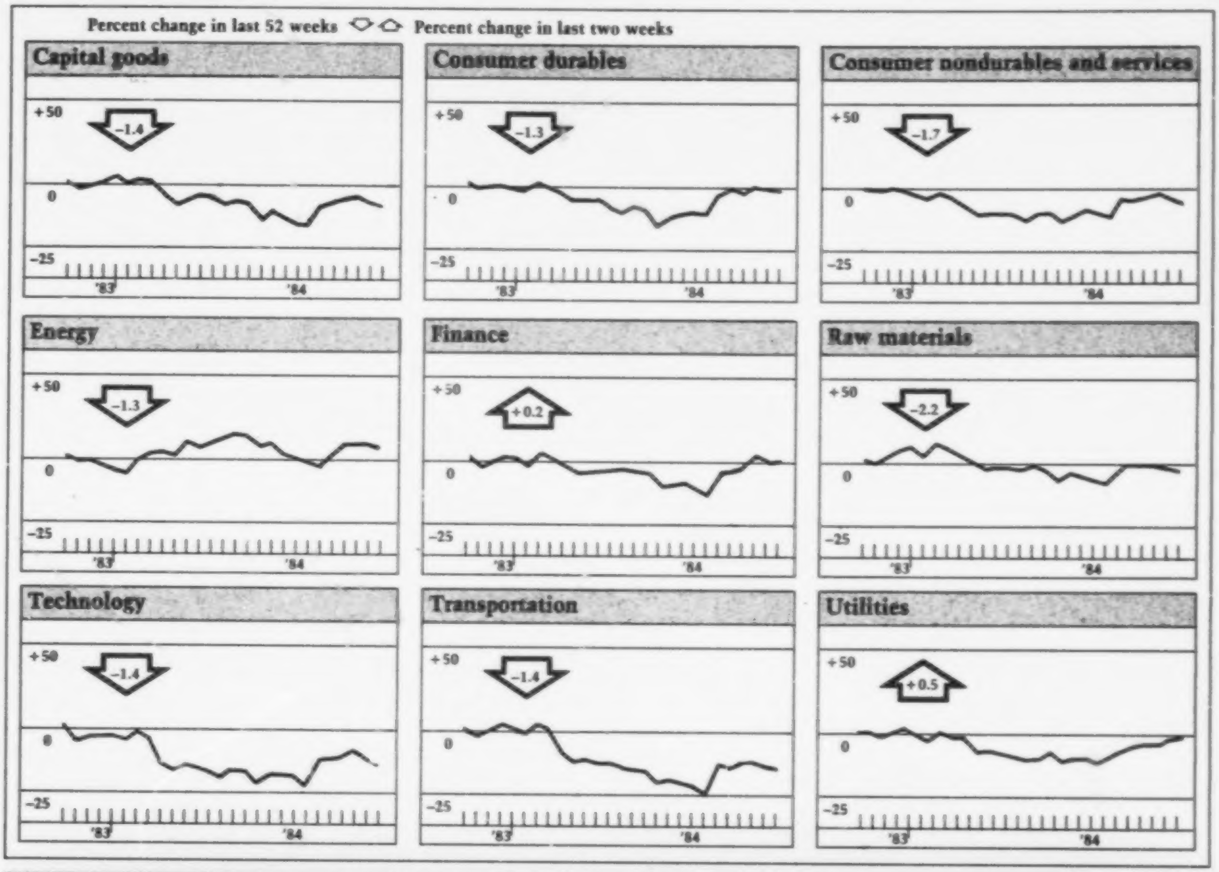
Note: All data for periods ending 10/12/84. Prepared by Wilshire Associates, Santa Monica, Calif.

Shelley Dell

Where The Action Is

Twelve months most would rather forget. With one exception, all Wilshire sectors are lower now than they were 52 weeks ago. Technology shares suffered the sharpest setback, a 14.7% decline, but transportation issues were close behind with a 13.6% loss. The capital goods, consumer nondurables, consumer durables and raw materials sectors all lost more than 5%. Energy shares were the only group that came out ahead for the 12-month stretch. But, were it not for several large oil-patch mergers, these issues would probably be behind as well.

During the most recent two weeks raw materials, off 2.2%, recorded the largest decline. Only two groups managed to eke out gains: Utilities were up 0.5%, and finance shares rose 0.2%.



What The Analysts Think

Eye of the storm. Analysts continue to cut their 1984 earnings estimates for eight Wilshire sectors. But for the ninth group, utilities, Wall Street seers expect higher income. This helps explain the strength of these shares in the current market. Since January utilities are virtually unchanged, but technology issues fell 14%.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.08	10.9
1984 estimates	3.92	9.2
1985 estimates	4.59	7.3

Rank based on change in estimate	Sector	Estimated 1984 EPS	% change in 1984 estimate in 2 weeks	in 4 weeks
1	Utilities	$3.54	0.14%	0.24%
2	Finance	3.37	-0.59	-1.45
3	Energy	2.64	-1.29	-1.32
4	Transportation	2.56	-1.44	-2.51
5	Raw materials	2.67	-1.56	-2.44
6	Capital goods	2.45	-1.62	-1.42
7	Consumer non-durables	2.64	-1.89	-2.37
8	Technology	2.13	-1.93	-2.83
9	Consumer durables	3.46	-2.35	-2.65

Earnings projections are equal-weighted consensus estimates from over 1,800 security analysts. Forecasts for the 9 Wilshire sectors are limited to firms with 3 or more estimates, with a mean estimate greater than $0.50. Data are compiled and updated weekly by Zacks Investment Research, a Chicago-based quantitative consulting firm.

Note: All data for periods ending 10/12/84. Prepared by Wilshire Associates, Santa Monica, Calif.; Zacks Investment Research, Inc., Chicago, Ill.

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NOVEMBER 19, 1984 THREE DOLLARS

Forbes

Personal Affairs
HOW TO CUT YOUR 1984 TAX BILL

MIKE MILKEN'S MARVELOUS MONEY MACHINE

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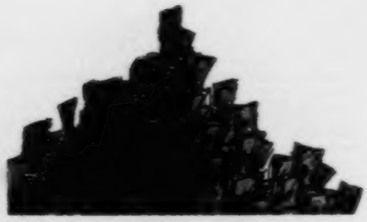

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November 19, 1984 Volume 134 Number 12 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $39 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1984 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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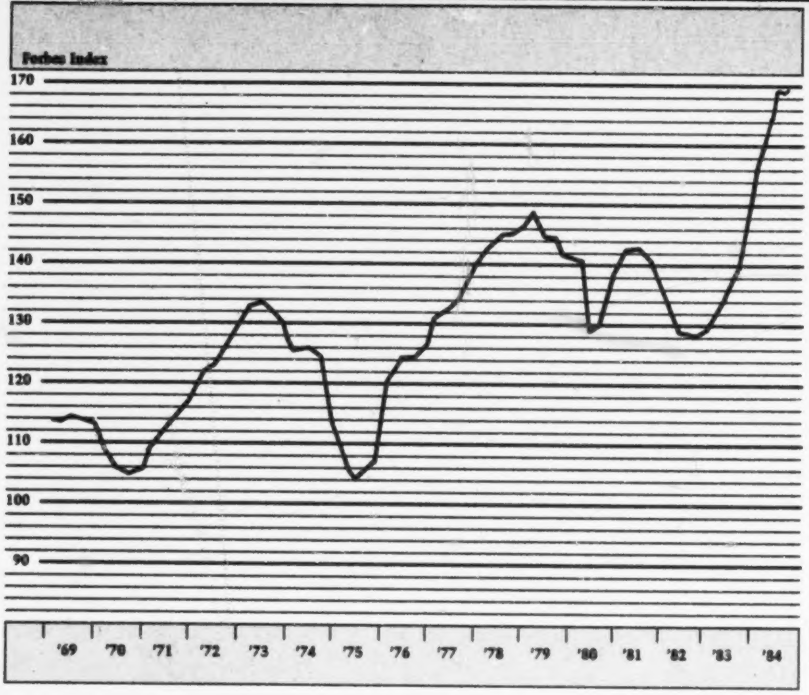
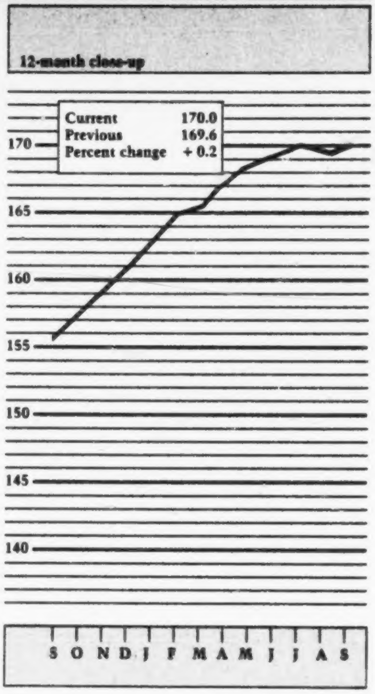
Cover illustration by: Robert Grossman

The Forbes Index





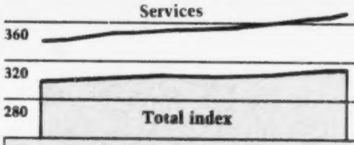
Breaking the fall? After two slight dips the Forbes Index posted a slight gain. This time increases in several components outweighed declines in others, but the economy still appears to be slowing down. Retail sales, up 1.6%, show the biggest month-to-month rise. New housing starts are 1% higher than in the previous month. But they are still some 4.6% below the year-ago level.

The overall Consumer Price Index gained 0.5%, while the services component was up 0.7%. That's a far cry from double-digit inflation and roughly in line with the 0.6% rise in personal income. Manufacturers' new orders, meanwhile, fell 4.3%.

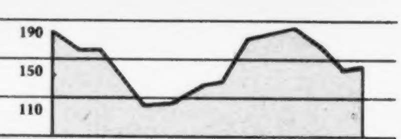
The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

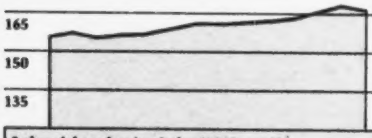
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



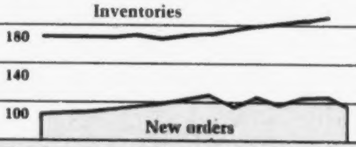
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



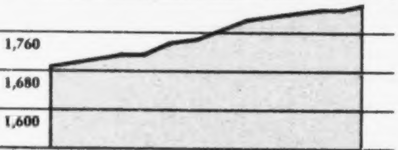
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



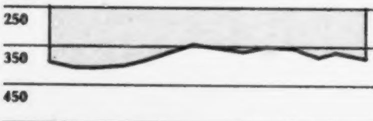
Industrial production index (1967 = 100)
Seasonally adjusted (Federal Reserve)



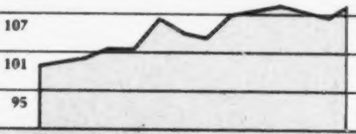
Manufacturers new orders and inventories
($billions) seasonally (Dept. of Commerce)



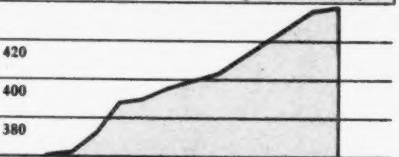
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims (thousands)
seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

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Shelley Dell

Wall Street's high-paid analysts are expecting the growth in corporate profits to slow only moderately next year. But watch out. Many of these same experts had rosy forecasts at the beginning of the most recent recession.

What's around the corner in 1985?

By Steve Kichen and Leslie Pittel

IN THE MIDST of a strong economic recovery, one really can't expect a securities analyst to step away from the crowd and boldly proclaim that the sky is about to fall. Sure, there is concern over productivity, the deficit and the balance of trade. But analysts also have wives and kids to feed and payments on the BMW and summer houses in the Hamptons.

With little bad news in third-quarter corporate reports, it's no wonder that analysts' estimates for the future are optimistic: The analysts' current consensus is that earnings will be up by 26% in 1984 and 17% in 1985. Those are relaxing, comfortable numbers. After all, most experts think that slower, more steady growth is just what the economy needs.

Unfortunately, however, many estimates are likely to change—and probably for the worse. While securities analysts say that earnings will be up by 17% next year, Wall Street economists are forecasting that corporate profits will expand by only 9%. "Either the economists are too low or the analysts are too high," says Stan Levine, who coordinates the Institutional Brokers Estimate System for the New York-based brokerage firm Lynch, Jones & Ryan. "Something has to give."

That "something" will probably be the analysts. They are already scrambling to lower their estimates—something they often do this time of year. IBES, for example, monitors the projections of hundreds of analysts on some 3,000 firms. Currently, reports Levine, his computers show that three 1985 estimates are being lowered for every one that is raised.

Let's hope we're not in for a repeat of what happened in the fall of 1981. Analysts then were scurrying to lower the rosy 1982 projections they had made in the spring and summer. But even after these cuts, the experts were still predicting that earnings would be up over 20% in 1982. Then, after many more downward revisions, the analysts were looking for "only" 19% growth. Unfortunately, Wall Street's seers were off by a country mile. Instead of economic expansion, there was a rather severe recession. Corporate profits fell by 18%.

Will the same thing happen next year? No one knows. On the bright side, there is the possibility that analysts burned in 1982 may be even too cautious this time around. Come January, the experts may have to adjust their forecasts upward in the face of better-than-expected fourth-quarter performances.

Illustrations by Patrick McDonnell

To find out what the best minds on Wall Street think is in store for 1,000 major corporations, we used Micro/Scan software from Boston's Isys Corp. to tap the IBES database. Our listings start on page 88. Each of the companies in our tables has estimates from five or more analysts and a market capitalization of at least $70 million. For this group, analysts are expecting an average earnings increase of 21% in 1985.

The last column in our table shows the "confidence factor," which describes the level of agreement among analysts who contributed to the earnings estimate. A "very high" confidence factor—like the one behind the

Exceptional cases

These firms may earn at least $1 in 1984 and increase earnings by more than 90% in 1985.

Company	% change 1985 vs. 1984 estimates	Company	% change 1985 vs. 1984 estimates
Kemper	145%	Seagull Energy	99%
Inland Steel	128	Stone Container	98
EF Hutton Group	125	Ashland Oil	96
AE Staley Mfg	110	Newmont Mining	93
Lorimar	102	Allegheny Intl	91

$2.54-per-share figure for Knight-Ridder—means that the estimates from the 20 analysts who track the publishing company were closely clustered. On the other hand, MCI Communications sports a very low confidence factor. Although the average 1985 estimate for MCI is 84 cents, the numbers range from 25 cents to $1.25.

Those firms whose earnings are harder to predict tend to have low or very low confidence factors. Many elements contribute to the volatility of airline earnings, for example, so it is not surprising to find analysts in widespread disagreement over the prospects of carriers like AMR, Ozark Holdings and PSA.

But large, stable consumer products and drug companies—such as Abbott Laboratories, Bristol-Myers and Dart & Kraft—tend to carry high or very high confidence factors. Risk-averse investors are often more comfortable with stocks like these. But safety has its price: There isn't much chance of spectacular earnings surprises at these companies.

If an issue sports a low or very low confidence factor, however, there is a greater chance for price volatility. After all, suppose securities analysts are confused and an investor goes with a guy who has the highest estimate. There can be big gains if he turns out to be correct. Last year, for example, Mattel had a very low confidence factor and a 1984 estimate of $1.02. Analysts now think the toy company will earn $1.55 this year, and its stock has jumped 66% during a period that the Wilshire was off by 3%.

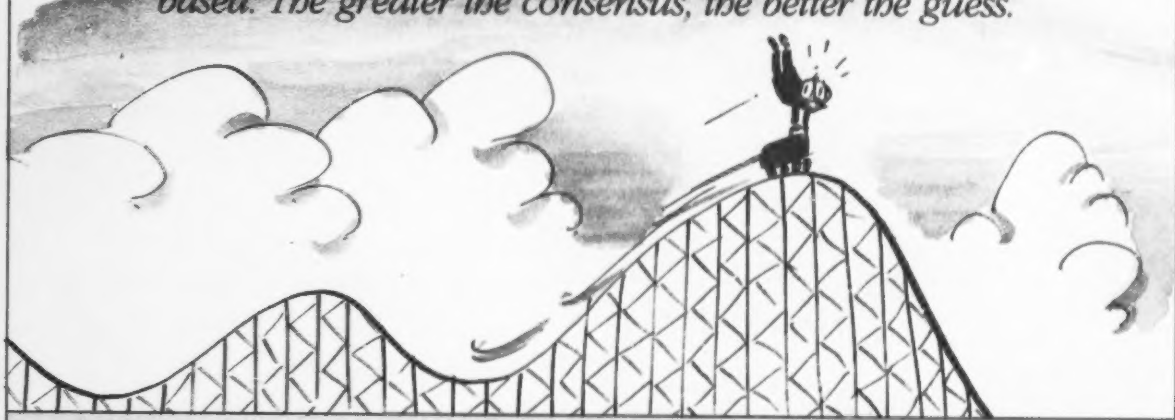
In 1984 Mattel was more the exception than the rule. The majority of companies that received very low confidence factors in our previous table still show depressed earnings and share prices. Among the losers: Cameron Iron Works, Rowan, Pan American World Airways, Reading & Bates and Western Co. of North America.

Note, too, that a forecast for a large percentage increase in earnings often needs further analysis. Look at Armco. The table shows an expected 625% jump in earnings from 1984 to 1985. But this troubled steelmaker is likely to earn only about 24 cents in 1984, vs. an estimated $1.74 in 1985. Both years are a big improvement over the $6.16 loss in 1983. But the anticipated gain for 1985 is so great only because it is compared with such a low base.

A final thought: These stocks now sell at 8.3 times 1985 earnings estimates. This is a 30% discount from the current Wilshire P/E—roughly the same as last year. The real questions, of course, are how close actual earnings will be to 1985 estimates and how much investors will pay for them next year. If only we had the answers. ■

How analysts see 1985 earnings

Wall Street's professionals think earnings growth will slow in 1985 at most of these 1,000 companies. But note the confidence factor for each estimate and the number of opinions on which it is based. The greater the consensus, the better the guess.



Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	P/E	1985 estimate number of analysts	1985 estimate confidence factor
AMF	17¼	$–0.15	$0.69	$1.38	100.0%	12.5	5	very low
AMP	31⅜	1.52	2.17	2.60	19.8	12.1	16	average
AMR	28¼	4.19	4.04	4.90	21.3	5.8	18	low
AVX	19⅛	0.98	1.94	2.51	29.4	7.6	6	average
Abbott Laboratories	39⅝	2.86	3.34	3.90	16.8	10.2	28	very high
AccuRay	18⅝	1.31	1.66	2.15	29.5	8.7	8	average
Acme-Cleveland	15	–7.39	–0.68	1.85	NM	8.1	5	very low
Adams-Russell	19¾	1.10	1.24	1.54	24.2	12.8	10	high
Adobe Oil & Gas	18½	1.45	1.61	1.87	16.1	9.9	12	average
Advanced Micro Devices	35	1.23	2.84	3.45	21.5	10.1	21	average
Aetna Life & Casualty	35	3.06	1.91	2.95	54.5	11.9	22	very low
HF Ahmanson & Co	22⅞	4.02	2.41	3.18	32.0	7.2	13	very low
Air Products & Chemicals	43⅝	3.55	4.51	5.27	16.9	8.3	23	low
Airborne Freight	18¼	1.60	1.93	2.41	24.9	7.6	15	average
Alaska Airlines	12½	1.45	1.81	2.14	18.2	5.8	10	average
Albertson's	27⅞	2.15	2.48	2.88	16.1	9.7	12	high
Alcan Aluminium Ltd	27½	0.81	3.65	4.50	23.3	6.1	18	very low
Alco Standard	28¾	2.70	3.12	3.62	16.0	7.9	10	high
Alexander & Alexander Services	21⅞	0.03	0.94	1.45	54.3	15.1	12	low
Alexander & Baldwin	30	2.88	3.55	3.96	11.5	7.6	5	very high
Allegheny International	23⅝	1.43	1.98	3.78	90.9	6.3	6	low
Allegheny Power System	28½	3.54	3.70	3.84	3.8	7.4	17	very high
Allen Group	17½	1.03	2.10	3.07	46.2	5.7	6	low
Allied Bancshares	24	2.55	2.97	3.45	16.2	7.0	8	very high
Allied Corp	36	4.28	5.32	6.07	14.1	5.9	20	average
Allied Stores	51¾	6.15	6.77	7.39	9.2	7.0	16	high
Allis-Chalmers	8⅛	–10.43	–3.77	0.56	NM	14.5	9	very low
Alltel	23⅛	2.64	3.00	3.26	8.7	7.1	14	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share: 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate: P/E	number of analysts	confidence factor
Alpha Industries	12½	$0.79	$0.98	$1.26	28.6%	9.9	7	high
Aluminum Co of America	34½	2.03	4.96	6.35	28.0	5.4	18	very low
Alza Corp A	21¼	0.11	0.40	0.78	95.0	27.2	6	low
Amax	18	–7.74	–0.07	1.24	NM	14.5	13	very low
Amdahl	10⅞	0.96	1.01	1.44	42.6	7.6	11	average
Amerada Hess	26⅛	2.43	3.20	4.36	36.3	6.0	22	low
American Bankers Insurance Group	11⅛	1.42	1.58	1.94	22.8	5.7	6	average
American Brands	62½	6.76	7.49	8.23	9.9	7.6	13	very high
American Broadcasting	65⅝	5.45	6.49	7.63	17.6	8.6	21	high
American Can	48⅝	3.47	4.79	5.71	19.2	8.5	7	very high
American Cyanamid	50⅛	3.41	4.79	5.57	16.3	9.0	17	high
American Electric Power	19⅝	2.44	2.63	2.65	0.8	7.4	16	low
American Express	35⅝	2.53	2.70	3.53	30.7	10.1	18	low
American Family	22¾	1.70	2.33	2.92	25.3	7.8	11	average
American General	24½	2.67	2.77	3.28	18.4	7.5	16	average
American Greetings A	31¼	1.91	2.34	2.74	17.1	11.4	11	very high
American Home Products	47½	4.00	4.48	5.03	12.3	9.4	28	very high
American Hospital Supply	28⅞	2.86	3.28	3.76	14.6	7.7	31	very high
American Income Life Insurance	9½	1.53	1.43	1.61	12.6	5.9	5	average
American International Group	68	5.77	5.73	6.78	18.3	10.0	21	average
American Medical International	23⅜	2.04	1.64a	2.58	57.3	9.1	32	average
American Natural Resources	37¼	4.69	5.48	5.79	5.7	6.4	16	average
American President Cos	32⅞	2.26	7.06	8.14	15.3	4.0	5	average
American Standard	30¼	2.27	3.28	4.16	26.8	7.3	12	low
American Sterilizer	21⅜	1.76	1.84	2.08	13.0	10.3	7	high
American Stores	39⅛	3.61	4.15	4.84	16.6	8.1	8	average
American Tel & Tel	18⅛	1.29	1.60	2.13	33.1	8.5	33	low
Ameritech	74⅛	9.76	10.13	10.75	6.1	6.9	26	high
AmeriTrust	52½	5.49	6.89	7.44	8.0	7.1	11	high
Amfac	22¾	–4.99	1.70	2.86	68.2	8.0	9	average
AmSouth Bancorp	23⅝	2.01	3.39	3.76	10.9	6.3	7	very high
Amsted Industries	32⅞	–0.35	2.23	3.77	69.1	8.7	7	average
Analog Devices	24⅜	0.73	1.35	1.76	29.6	13.8	12	average
Analogic	10	0.85	0.90a	1.09	21.1	9.2	8	average
Anchor Hocking	23⅝	2.28	2.16	2.99	38.4	7.9	10	low
Andrew	32½	1.77	2.08	2.56	23.1	12.7	9	high
Angelica	20⅛	1.63	1.85	2.13	15.1	9.4	6	high
Anheuser-Busch	68½	6.50	7.43	8.41	13.2	8.1	15	very high
Apache	11½	1.00	1.11	1.37	23.4	8.4	9	low
Apollo Computer	23¼	0.37	0.75	1.32	76.0	17.6	17	average
Apple Computer	23⅞	1.28	0.98	2.21	125.5	10.8	23	low

The 1,000 stocks in this table sell at a multiple of 8.3, based on 1985 estimates. That's about 30% less than the current P/E of the Wilshire index.

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	number of analysts	confidence factor
Applied Data Research B	24⅞	$1.38	$1.77	$2.23	26.0%	11.2	11	very high
Applied Materials	27½	0.49	2.00	2.92	46.0	9.4	15	average
Arizona Public Service	20⅞	3.46	3.38	3.49	3.3	6.0	16	very high
Arkla	20⅝	1.18	1.63	2.03	24.5	10.2	17	average
Armco	10	–6.16	0.24	1.74	625.0	5.7	11	very low
Armstrong World Industries	28¾	2.53	3.54	3.95	11.6	7.3	12	low
Arrow Electronics	17	0.85	2.71	3.60	32.8	4.7	5	low
Asarco	22	1.54	–1.53	1.68	NM	13.1	17	very low
Ashland Oil	27⅝	2.22	1.84	3.61	96.1	7.7	13	low
Associated Dry Goods	57	5.95	6.75	7.60	12.6	7.5	18	high
Atlantic City Electric	23⅜	3.48	3.16	3.33	5.4	7.0	10	high
Atlantic Research	30¾	1.81	2.34	2.91	24.4	10.6	9	average
Atlantic Richfield	49¼	6.03	5.44	7.09	30.3	6.9	34	average
Augat	22⅞	1.47	1.85	2.45	32.4	9.3	13	average
Automatic Data Processing	36⅝	1.86	2.14a	2.51	17.3	14.6	5	very high
Automatix	9¼	–0.20	–0.82	–0.18	NM	NM	6	very low
Avantek	21	0.63	0.92	1.22	32.6	17.2	16	average
Avery International	30⅝	1.84	2.39	2.81	17.6	10.9	9	high
Avon Products	23⅛	2.21	2.26	2.56	13.3	9.0	21	average
Aydin	21⅛	2.93	2.39	2.99	25.1	7.1	8	average
Bairnco	29⅜	2.16	2.62	3.02	15.3	9.7	5	very high
Baker International	16⅞	–0.91	0.99	1.81	82.8	9.3	26	low
Baldor Electric	20	1.20	1.69	2.23	32.0	9.0	8	average
Ball	38½	3.47	3.98	4.50	13.1	8.6	6	high
Bally Manufacturing	15⅞	0.20	1.05	1.84	75.2	8.6	9	low
Bally Park Place	8⅝	0.86	1.07	1.28	19.6	6.7	5	low
Baltimore Gas & Electric	37⅝	4.95	5.28	5.33	0.9	7.1	20	high
Banc One	23⅝	2.55	2.92	3.27	12.0	7.2	9	very high
BancOklahoma	20½	3.33	3.70	4.16	12.4	4.9	6	very high
Bandag	49	3.88	4.57	5.47	19.7	9.0	5	very high
Bank of Boston	36	7.40	6.67	7.47	12.0	4.8	13	average
Bank of New York	31⅞	4.64	5.21	5.65	8.4	5.6	7	average
BankAmerica	18⅝	2.18	2.48	3.13	26.2	6.0	24	average
Bankers Trust NY	52⅛	8.40	9.02	9.89	9.6	5.3	20	high
CR Bard	22¾	2.21	2.47	2.82	14.2	8.1	20	very high
Barnett Banks of Florida	43⅜	4.60	4.93	5.47	11.0	7.9	14	high
Barry Wright	29	1.57	1.94	2.43	25.3	11.9	7	average
Bassett Furniture Industries	32¼	3.78	3.84	4.10	6.8	7.9	5	low
Bausch & Lomb	24¼	1.71	2.04	2.43	19.1	10.0	16	high
Baxter Travenol Laboratories	13½	1.54	1.44	1.64	13.9	8.2	25	average
BayBanks	39	5.03	5.53	6.07	9.8	6.4	5	high
BBDO International	40½	3.08	3.79	4.41	16.4	9.2	5	very high
Beatrice	28¼	3.30	3.18	3.53	11.0	8.0	10	average
Becton Dickinson	36¼	1.71	2.95	3.56	20.7	10.2	20	average
Bell & Howell	28⅝	2.96	2.55	3.07	20.4	9.3	7	average
Bell Atlantic	77⅜	10.17	9.97	10.60	6.3	7.3	27	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

		Earnings per share					1985 estimate	
Company	**Recent price**	**1983**	**1984 estimates**	**1985 estimates**	**% change 1985 vs. 1984 estimates**	**P/E**	**number of analysts**	**confidence factor**
BellSouth	33	$4.32	$4.06	$4.36	7.4%	7.6	31	high
AH Belo	43	3.25	2.81	3.44	22.4	12.5	9	high
Beneficial	30⅛	3.96	4.06	4.58	12.8	6.6	6	average
Bergen Brunswig	22⅛	1.50	1.45a	2.21	52.4	10.0	9	high
Be[illegible] Products	12⅞	1.40	1.72	2.11	22.7	6.1	10	low
Bethlehem Steel	17¾	–7.31	–0.19	3.19	NM	5.6	13	very low
Betz Laboratories	31	2.08	2.41	2.76	14.5	11.2	15	very high
Beverly Enterprises	30½	1.45	1.79	2.20	22.9	13.9	12	very high
Big Three Industries	21⅜	1.07	1.53	2.29	49.7	9.3	13	low
Black & Decker Manufacturing	20⅛	0.65	1.96	2.51	28.1	8.0	13	high
Boeing	55⅞	3.67	3.80	5.57	46.6	10.0	25	low
Boise Cascade	38½	1.91	4.62	5.91	27.9	6.5	14	low
Borden	60¼	5.96	7.43	8.28	11.4	7.3	8	high
Borg-Warner	21½	2.03	2.50	3.06	22.4	7.0	9	average
Boston Edison	32½	3.60	3.89	4.11	5.7	7.9	11	high
Bristol-Myers	45¼	3.00	3.48	4.02	15.5	11.3	28	very high
British Petroleum	22¾	2.76	3.74	4.18	11.8	5.4	12	low
Brockway	16⅞	0.77	1.53	2.01	31.4	8.4	6	low
Brooklyn Union Gas	32⅞	4.52	4.72	5.01	6.1	6.6	10	high
Brooks Fashion Stores	31⅝	2.03	2.96	3.82	29.1	8.3	5	high
Brown Group	25½	3.19	3.25	3.58	10.2	7.1	7	average
Browning-Ferris Industries	36½	2.40	2.65	3.28	23.8	11.1	12	average
Brunswick	32⅝	2.92	4.21	5.02	19.2	6.5	8	average
Brush Wellman	31⅞	1.39	2.17	2.49	14.7	12.8	7	average
Burlington Industries	25	3.10	3.61	3.86	6.9	6.5	10	low
Burlington Northern	48¼	5.40	6.99	7.30	4.4	6.6	19	average
Burndy	14	1.01	1.16	1.55	33.6	9.0	10	low
Burr-Brown	17	0.90	1.27	1.73	36.2	9.8	6	high
Burroughs	53	4.60	5.65	6.67	18.1	7.9	21	average
CBI Industries	26¼	2.36	2.37	2.81	18.6	9.3	10	low
CBS Inc	80	6.31	8.58	9.73	13.4	8.2	21	high
CSX Corp	22½	2.07	3.31	3.79	14.5	5.9	21	average
Cabot	26½	2.00	2.74	3.21	17.2	8.3	9	low
California Federal	13½	3.94	2.82	3.12	10.6	4.3	9	very low
Callahan Mining	15½	0.59	0.48	0.86	79.2	18.0	5	very low
Capital Cities Communications	154¼	8.53	10.54	12.10	14.8	12.7	16	high
Capital Holdings	38⅞	4.38	4.64	5.07	9.3	7.7	19	high
Carlisle	33	2.45	3.48	3.98	14.4	8.3	9	average
Carolina Freight	19⅝	2.12	2.32	2.80	20.7	7.0	11	high
Carolina Power & Light	23⅞	3.21	3.29	3.44	4.6	6.9	14	very high
Carter Hawley Hale	23	1.90	1.86	2.70	45.2	8.5	12	low
Castle & Cooke	15	–1.95	–3.13a	0.95	NM	15.8	9	very low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

Wall Streeters don't see 1985 as another record year at Chrysler. They think profits will drop 23%, to less than $12 per share.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	P/E	1985 estimate number of analysts	1985 estimate confidence factor
Caterpillar Tractor	30⅛	$-3.74	$-0.82	$ 2.21	NM	13.6	20	very low
Celanese	71½	6.89	11.07	12.00	8.4%	6.0	20	low
Centel	36⅞	4.12	4.44	4.86	9.5	7.6	18	high
Centocor	11¼	–0.12	0.08	0.27	237.5	41.7	9	very low
Central & South West	20¾	3.02	3.31	3.40	2.7	6.1	21	very high
Central Illinois Light	22⅛	2.87	2.90	3.01	3.8	7.4	8	high
Central Illinois Public Service	17	2.33	2.19	2.25	2.7	7.6	10	low
Central Louisiana Electric	20¾	2.85	3.41	3.36	–1.5	6.2	5	high
Central Soya	14⅝	1.68	1.51a	1.77	17.2	8.3	6	low
CertainTeed	17⅞	1.73	2.94	3.02	2.7	5.9	8	very low
Cessna Aircraft	19¾	–0.98	–0.58	1.36	NM	14.5	10	low
Champion International	19⅝	1.22	2.62	3.55	35.5	5.5	14	low
Champion Spark Plug	9⅛	0.70	0.98	1.18	20.4	7.7	5	average
Charming Shoppes	16¾	0.83	1.04	1.27	22.1	13.2	5	very high
Charter Medical	28½	1.33	1.73	2.14	23.7	13.3	14	high
Chase Manhattan	43¾	10.96	10.68	11.86	11.0	3.7	19	high
Chemed	27	2.28	2.56	2.97	16.0	9.1	7	high
Chemical NY	30	5.77	6.19	6.79	9.7	4.4	15	average
ChemLawn	24¼	1.26	1.55	1.90	22.6	12.8	9	very high
Chesapeake Corp	34	1.33	3.39	4.46	31.6	7.6	7	average
Chesebrough-Pond's	36½	3.58	3.70	4.14	11.9	8.8	19	high
Chevron	34⅞	4.65	4.91	5.54	12.8	6.3	32	average
Chi-Chi's	14½	0.66	0.91	1.29	41.8	11.2	8	average
Chicago & NW Transportation	28	2.28	2.61	3.67	40.6	7.6	11	very low
Chrysler	31⅛	2.35	15.47	11.98	–22.6	2.6	16	very low
Chubb	50	4.56	3.59	4.66	29.8	10.7	21	very low
Church's Fried Chicken	28⅜	1.66	2.34	2.82	20.5	10.1	9	high
Cigna	38½	5.26	–0.37	1.31	NM	29.4	20	very low
Cincinnati Bell	37¾	5.31	5.65	6.08	7.6	6.2	7	average
Cincinnati Financial	70½	6.36	6.75	7.36	9.0	9.6	5	low
Cincinnati Gas & Electric	14⅞	2.94	2.52	2.53	0.4	5.9	12	low
Cincinnati Milacron	23½	–0.46	0.65	1.67	156.9	14.1	19	very low
Circuit City Stores	26	1.22	1.91	2.53	32.5	10.3	6	average
Circus Circus Enterprises	15⅞	1.37	1.56	1.81	16.0	8.8	6	high
Citicorp	36¾	6.17	6.69	7.47	11.7	4.9	24	average
Citizens & Southern Georgia	17⅛	1.89	2.19	2.46	12.3	7.0	9	high
Citizens Fidelity	23⅞	2.38	2.79	3.15	12.9	7.6	5	average
JL Clark Manufacturing	24	1.77	2.15	2.46	14.4	9.8	5	high
Clark Equipment	27⅜	0.86	2.40	4.04	68.3	6.8	11	very low
Cleveland Electric Illuminating	19	3.28	3.36	3.37	0.3	5.6	14	high
Cleveland-Cliffs	19½	0.22	2.07	2.92	41.1	6.7	7	very low
Cluett, Peabody	30	2.87	3.42	4.10	19.9	7.3	6	average
Coastal	29¼	4.02	4.58	5.06	10.5	5.8	9	low
Coca-Cola	63¼	4.10	4.75	5.43	14.3	11.6	19	very high
Coherent	21¾	0.58	0.78	1.21	55.1	18.0	6	average
Coleco Industries	15¼	–0.48	1.38	1.97	42.8	7.7	5	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Coleman	28⅜	$2.61	$3.32	$3.77	13.6%	7.5	7	average
Colgate-Palmolive	25⅜	2.42	2.22	2.38	7.2	10.7	12	low
Collins & Aikman	32½	4.47	5.93	6.19	4.4	5.3	13	average
Colonial Penn Group	27⅝	2.89	2.97	3.09	4.0	8.9	7	high
Colt Industries	52	3.99	5.88	6.92	17.7	7.5	5	high
Columbia Gas	31	5.13	4.69	4.98	6.2	6.2	14	average
Combined International	35⅝	3.86	4.21	4.65	10.5	7.7	18	high
Combustion Engineering	30⅞	2.29	2.10	3.07	46.2	10.1	13	low
Comcast	17⅞	0.77	0.87	1.10	26.4	16.3	9	low
Comdata Network	18¼	0.85	0.74	0.99	33.8	18.4	7	average
Commonwealth Edison	26¾	4.39	4.38	4.42	0.9	6.1	16	high
Communications Satellite	24¾	2.77	2.97	3.52	18.5	7.0	14	low
Communications Industries	22½	1.18	1.35	1.67	23.7	13.5	14	average
Community Psychiatric Centers	27⅛	0.95	1.20	1.48	23.3	18.3	21	very high
Computer & Comm Technology	10¾	–3.21	1.45	1.91	31.7	5.6	6	average
Computer Assoc International	17½	0.90	1.17	1.63	39.3	10.7	6	high
Computer Consoles	10¼	0.87	1.13	1.48	31.0	6.9	7	high
Computervision	41⅞	1.24	1.70	2.34	37.6	17.9	26	average
ConAgra	39¾	2.46	3.87	4.44	14.7	9.0	6	high
Conair	18¼	1.30	1.89	2.37	25.4	7.7	5	very high
Conquest Exploration	7¾	0.17	0.25	0.38	52.0	20.4	10	very low
Consolidated Edison	29	4.16	4.17	4.20	0.7	6.9	17	average
Consolidated Freightways	23¾	2.43	2.66	3.01	13.2	7.9	18	high
Consolidated Natural Gas	38⅝	4.74	4.88	5.28	8.2	7.3	17	high
Consolidated Papers	67	4.50	6.85	7.83	14.3	8.6	10	low
Continental Corp	33	0.19	1.64	2.65	61.6	12.5	18	very low
Continental Telecom	22	2.41	2.72	3.00	10.3	7.3	22	high
Control Data	30¾	4.20	2.80	3.98	42.1	7.7	17	low
Convergent Technologies	9⅞	0.40	0.59	1.24	110.2	8.0	17	low
Converse	19¾	2.07	2.60	3.15	21.2	6.3	6	average
Cooper Industries	28¼	1.29	2.19	3.16	44.3	8.9	17	low
Cooper Tire & Rubber	15¾	2.15	2.34	2.77	18.4	5.7	5	high
CooperVision	19¼	1.00	1.28	1.56	21.9	12.3	5	average
Adolph Coors	14⅝	2.55	1.66	1.81	9.0	8.1	13	very low
Cordura	19⅛	1.41	1.51	1.81	19.9	10.6	5	average
CoreStates Financial	39⅝	5.70	6.14	6.71	9.3	5.9	7	very high
Corning Glass Works	61⅛	4.38	6.10	7.21	18.2	8.5	9	low
Corroon & Black	28	2.22	1.59	2.24	40.9	12.5	7	low
Cox Communications	48¼	2.65	3.08	3.64	18.2	13.3	18	very high
CPC International	37⅝	2.81	4.36	4.97	14.0	7.6	14	high
Cray Research	50⅞	1.77	2.42	3.06	26.4	16.6	13	high
Crocker National	23⅝	–0.63	–2.33	2.52	NM	9.4	8	low
Cross & Trecker	20¾	0.30	0.31	1.54	396.8	13.5	18	very low
AT Cross	27	1.90	2.17	2.66	22.6	10.2	6	average
Crown Cork & Seal	43¼	3.83	4.88	5.43	11.3	8.0	5	average
Crown Zellerbach	29⅝	2.54	3.90	5.10	30.8	5.8	11	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	P/E	1985 estimate number of analysts	1985 estimate confidence factor
Cubic	17¾	$2.19	$1.98	$2.52	27.3%	7.0	5	low
Cullinet Software	43½	1.09	1.52	2.06	35.5	21.1	12	high
Cummins Engine	70½	0.36	15.60	16.64	6.7	4.2	11	low
Daisy Systems	26⅛	0.17	0.73	1.20	64.4	21.8	14	average
Dana	23½	1.97	3.40	4.02	18.2	5.8	9	average
Dart & Kraft	80⅝	7.92	8.95	10.18	13.7	7.9	16	very high
Data General	53½	0.96	2.44	4.00	63.9	13.4	26	average
Data I/O	12½	0.72	0.93	1.21	30.1	10.3	7	average
Dataproducts	15⅝	1.25	2.04	2.54	24.5	6.2	7	low
Dayton Power & Light	16⅛	2.80	2.20	2.18	–0.9	7.4	9	high

Expect fat gains from Bethlehem Steel next year. Analysts think earnings will exceed $3, compared with a 20-cent loss in 1984.

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	P/E	1985 estimate number of analysts	1985 estimate confidence factor
Dayton-Hudson	33⅜	2.54	2.97	3.45	16.2	9.7	22	very high
DeLuxe Check Printers	51⅛	3.37	3.88	4.46	14.9	11.5	11	very high
Dean Foods	26⅝	1.61	1.90	2.18	14.7	12.1	7	very high
Decision Data Computer	11⅝	0.68	0.99	1.30	31.3	8.9	5	average
Deere & Co	28	0.34	1.48	2.48	67.6	11.3	21	very low
Dekalb AgResearch	23⅝	1.07	2.24	2.74	22.5	8.7	10	low
Delmarva Power & Light	20⅞	2.45	2.53	2.62	3.6	8.0	15	very high
Denison Mines A	33⅞	3.10	3.46	3.91	13.0	8.7	6	average
DeSoto	31⅞	3.17	3.59	4.32	20.3	7.4	5	average
Detroit Edison	14⅝	2.21	2.17	2.25	3.7	6.6	13	average
Dexter	21⅜	1.77	1.99	2.31	16.1	9.3	8	high
Diamond Shamrock	19¾	–0.70	1.92	2.36	22.9	8.4	18	average
Diebold	77¾	5.65	6.82	7.84	15.0	9.9	9	high
Digital Equipment	95¾	5.00	5.73a	9.08	58.5	10.5	31	low
Digital Switch	25¾	1.02	1.42	1.97	38.7	13.1	19	average
Walt Disney Productions	58¾	2.70	3.17	3.88	22.4	15.1	17	high
Diversifoods	14½	0.61	1.07	1.35	26.2	10.7	12	average
Dollar General	19⅝	0.97	1.20	1.48	23.3	13.3	10	average
Dominion Resources	26⅞	3.28	3.42	3.51	2.6	7.7	17	high
Donaldson Co	19	–0.67	1.86a	2.67	43.6	7.1	5	low
Donaldson, Lufkin & Jenrette	22⅜	1.51	1.74	1.90	9.2	11.8	6	low
RR Donnelley & Sons	44¾	3.00	3.54	4.07	15.0	11.0	9	very high
Dorsey	30½	3.02	2.81	3.41	21.4	8.9	8	very low
Dover	37¼	2.18	2.77	3.51	26.7	10.6	6	average
Dow Chemical	28¼	1.50	3.19	4.07	27.6	6.9	28	low
Dow Jones & Co	39¼	1.79	2.23	2.65	18.8	14.8	14	very high
Doyle Dane Bernbach International	17⅛	1.05	1.44	1.69	17.4	10.2	6	average
Dresser Industries	20⅛	0.06	1.18	2.20	86.4	9.1	24	low
Dreyer's Grand Ice Cream	12	0.70	0.95	1.15	21.1	10.4	5	average
Ducommun	33⅛	–0.59	4.65	5.74	23.4	5.8	5	high
Duke Power	28⅛	3.77	3.86	4.02	4.1	7.0	19	very high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	number of analysts	confidence factor
Dun & Bradstreet	62¼	$2.97	$3.44	$4.04	17.4%	15.4	12	very high
EI Du Pont de Nemours	48⅞	4.70	6.36	7.18	12.9	6.8	26	high
Duquesne Light	14⅞	2.20	2.30	2.39	3.9	6.2	8	high
Duriron	11¼	0.44	0.74	1.34	81.1	8.4	7	average
Dyco Petroleum	11⅞	1.24	1.41	1.64	16.3	7.2	5	average
Dysan	5⅜	0.45	–0.91	0.03	NM	NM	9	very low
EG&G	31⅛	1.56	1.90	2.31	21.6	13.5	9	very high
E-Systems	26⅝	1.82	1.99	2.28	14.6	11.7	21	average
Essex	13	1.50	0.67	2.04	204.5	6.4	6	low
Eastern Gas & Fuel	24⅛	1.64	2.38	2.94	23.5	8.2	10	low
Eastman Kodak	71	3.41	5.95	7.22	21.3	9.8	20	average
Eaton	49⅝	2.89	6.95	8.13	17.0	6.1	15	average
Echlin	22⅝	1.50	2.14a	2.55	19.2	8.9	11	high
Jack Eckerd	27⅜	1.91	2.27a	2.66	17.2	10.3	13	high
Edison Brothers Stores	34	4.51	4.55	5.00	9.9	6.8	6	average
El Paso Electric	12¾	2.48	2.68	2.72	1.5	4.7	6	average
Electrospace Systems	20⅝	0.76	0.96	1.22	27.1	16.9	5	high
Emerson Electric	68	4.42	5.18	6.13	18.3	11.1	17	very high
Emery Air Freight	19⅝	1.46	1.76	2.07	17.6	9.4	17	low
Emhart	31⅝	3.37	3.84	4.39	14.3	7.2	7	very high
Engelhard	29	2.73	2.24	3.46	54.5	8.4	8	average
Enserch	19⅞	1.20	1.95	2.39	22.6	8.3	18	low
Equatorial Communications	16¼	0.15	0.60	1.03	71.7	15.8	6	high
Equitable Resources	33⅝	4.34	5.73	6.22	8.6	5.4	9	average
Esterline	26⅝	0.91	2.15	2.99	39.1	8.9	5	average
Ethyl	25¾	2.51	3.01	3.43	14.0	7.5	15	average
Evans & Sutherland Computers	16⅝	1.21	1.18	1.56	32.2	10.7	12	low
Ex-Cell-O	36⅛	3.51	3.94	4.76	20.8	7.6	9	high
Exxon	44⅝	5.79	6.42	6.85	6.7	6.5	34	high
FMC	58⅞	4.66	6.28	7.74	23.2	7.6	11	low
Fairchild Industries	18	1.51	1.66	2.19	31.9	8.2	14	low
Family Dollar Stores	26⅞	0.83	1.22	1.54	26.2	17.5	9	high
Farah Manufacturing	26⅞	2.24	2.86	3.63	26.9	7.4	6	very low
Farmers Group	46½	4.06	4.67	5.19	11.1	9.0	16	very high
Federal Express	40	2.50	2.40	3.90	62.5	10.3	10	average
Federal National Mortgage	14⅞	1.13	–0.41	– 0.17	NM	NM	13	very low
Federal Paper Board	21⅝	0.93	2.41	3.73	54.8	5.8	6	very low
Federal-Mogul	35⅜	2.94	3.97	4.85	22.2	7.3	9	average
Federated Department Stores	51	6.96	6.80	7.54	10.9	6.8	20	high
Federated Group	19⅛	1.16	1.58	2.02	27.8	9.5	5	average
Ferro	25	3.04	3.63	3.86	6.3	6.5	7	low
Fidelcor	42⅞	8.66	6.90	7.63	10.6	5.6	5	high
Fieldcrest Mills	25⅝	3.89	2.83	3.59	26.9	7.2	6	very low
Firestone Tire & Rubber	18½	2.03	1.78	2.51	41.0	7.4	6	low
First Atlanta	22¼	2.97	3.20	3.62	13.1	6.1	8	very high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Isys Corp.

How analysts see 1985 earnings

		Earnings per share				1985 estimate		
Company	Recent price	1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	P/E	number of analysts	confidence factor
First Bank System	27⅜	$3.90	$4.02	$4.60	14.4%	6.0	16	high
First Chicago	22½	3.92	3.57	4.57	28.0	4.9	19	average
First City Bancorpation of Texas	16½	1.23	2.57	3.06	19.1	5.4	16	low
First Commerce	26	1.57	3.26	3.84	17.8	6.8	5	average
First Executive	11⅝	1.00	1.21	1.51	24.8	7.7	5	low
First Interstate Bancorp	38¾	5.76	6.11	6.84	11.9	5.7	22	very high
First Union	31¾	3.59	4.26	4.81	12.9	6.6	12	high
Fischbach	40¼	7.39	3.36	4.28	27.4	9.4	7	very low
Fleet Financial Group	53⅝	6.90	7.31	8.04	10.0	6.7	7	high
Fleetwood Enterprises	22¾	2.71	2.72	3.13	15.1	7.3	8	low
Fleming	31	2.36	2.66	3.05	14.7	10.2	5	very high
Floating Point Systems	15¾	1.47	1.74	1.70	–2.3	9.3	13	very low
Florida Power & Light	42¾	5.02	5.24	5.62	7.3	7.6	19	very high
Florida Progress	23¼	2.64	2.72	2.80	2.9	8.3	15	high
John Fluke Mfg	26¼	1.22	1.81	2.25	24.3	11.7	16	average
Fluor	17⅝	0.68	0.43	0.92	114.0	19.2	15	very low
Food Lion	12	0.53	0.66	0.84	27.3	14.3	5	average
Ford Motor	46⅝	10.29	15.89	15.82	–0.4	3.0	16	low
Forest Oil	22¾	1.08	1.69	1.94	14.8	11.7	7	very low
Fort Howard Paper	60⅛	3.78	4.42	5.07	14.7	11.9	18	high
Foster Wheeler	13⅛	1.30	1.04	1.20	15.4	10.9	8	low
Foxboro	29¾	0.65	0.99	2.59	161.6	11.5	14	low
Freeport-McMoran	16	1.32	1.45	2.06	42.1	7.8	16	low
Fremont General	18⅛	0.11	–1.10	0.59	NM	30.7	8	very low
Frontier Holdings	11⅜	–1.29	–0.72	0.40	NM	28.4	11	very low
Fruehauf	21½	0.28	4.28	5.59	30.6	3.8	5	low
Fuji Photo Film	13⅜	1.36	1.35	1.55	14.8	8.6	7	average
HB Fuller	12¼	1.49	1.61	1.88	16.8	6.5	8	average
Fuqua Industries	28	4.16	3.98	4.56	14.6	6.1	5	average
GATX	30⅛	–7.84	2.67	3.47	30.0	8.7	5	low
GCA	27¾	0.10	1.79	2.86	59.8	9.7	20	low
GEICO	63½	4.48	5.34	6.11	14.4	10.4	15	average
GTE	40¾	5.00	5.49	5.98	8.9	6.8	26	high
Gannett	44⅝	2.40	2.79	3.40	21.9	13.1	16	very high
Gap Stores	22⅝	2.52	2.53	3.06	20.9	7.4	9	high
Gearhart Industries	14⅞	0.40	0.53	1.25	135.9	11.9	10	very low
GenCorp	33¼	2.85	3.86	4.77	23.6	7.0	6	high
Genentech	29¾	0.08	0.20	0.46	130.0	64.7	17	very low
General DataComm Industries	18¾	0.25	0.79	1.18	49.4	15.9	8	high
General Dynamics	63¾	5.30	7.54	9.27	22.9	6.9	23	average
General Electric	56	4.45	5.05	5.75	13.9	9.7	20	very high
General Foods	58⅛	6.10	6.68	7.52	12.6	7.7	15	very high
General Instrument	21⅜	1.16	1.63	2.30	41.1	9.3	9	low
General Mills	55½	4.98	5.61	6.36	13.4	8.7	9	very high
General Motors	78¾	11.84	16.91	17.72	4.8	4.4	16	low
General Public Utilities	10⅞	1.10	1.54	1.86	20.8	5.8	8	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share			% change 1985 vs. 1984 estimates	1985 estimate		
		1983	1984 estimates	1985 estimates		P/E	number of analysts	confidence factor
General Re	64	$4.26	$3.59	$4.91	36.8%	13.0	19	low
General Signal	45½	3.16	4.10	5.21	27.1	8.7	15	high
Genetic Systems	6½	–0.08	–0.07	0.04	NM	NM	9	very low
GenRad	15¼	1.25	1.62	2.31	42.6	6.6	19	low
Genuine Parts	32	1.91	2.27	2.62	15.4	12.2	16	very high
Georgia-Pacific	22	0.97	2.81	3.27	16.4	6.7	17	low
Gerber Products	26⅞	2.48	2.76	3.10	12.3	8.7	8	average
Giant Food	25⅜	2.77	3.09	3.38	9.4	7.5	6	high
Gibraltar Financial	8½	2.02	1.80	1.79	–0.6	4.7	10	very low
Gifford-Hill	20	0.40	2.21	3.32	50.2	6.0	6	low
Gillette	51½	4.78	5.27	5.92	12.3	8.7	16	very high
Glaxo Holdings	11¼	0.46	0.61	0.83	36.1	13.6	5	average
Global Marine	6⅛	1.52	–1.47	–1.36	NM	NM	14	very low
Golden Nugget	8⅝	1.09	1.03	1.29	25.2	6.7	6	low
Golden West Financial	17¼	3.75	3.70	3.53	–4.6	4.9	12	very low
BF Goodrich	26	0.68	3.87	4.94	27.6	5.3	11	low
Goodyear Tire & Rubber	25¼	2.71	4.17	4.53	8.6	5.6	9	average
Gordon Jewelry	16⅞	1.76	2.09	2.38	13.9	7.1	10	low
Gould	22¾	1.42	2.23	2.69	20.6	8.5	16	low
Goulds Pumps	15¾	0.83	1.24	1.59	28.2	9.9	8	average
WR Grace	42½	3.24	4.16	5.03	20.9	8.4	13	average
WW Grainger	55⅝	3.58	4.72	5.47	15.9	10.2	18	average
Great Lakes Chemical	33¾	1.63	2.39	2.92	22.2	11.6	13	high
Great Northern Nekoosa	34¼	3.25	4.77	5.63	18.0	6.1	13	low
Great Western Financial	22½	2.08	2.96	3.42	15.5	6.6	12	very low
Greatwest Hospitals	14¾	0.75	0.63	1.10	74.6	13.4	6	very low
Greyhound	23¼	1.82	2.64	3.29	24.6	7.1	14	average
Grumman	27⅜	3.81	3.88	4.91	26.5	5.6	17	average
Gulf & Western Industries	29¾	3.38	3.57a	3.62	1.4	8.2	14	average
Gulf State Utilities	12¼	2.31	2.26	2.34	3.5	5.2	13	average
HBO & Co	20¾	0.61	0.84	1.06	26.2	19.6	22	average
Frank B Hall	23¾	0.95	1.08	1.58	46.3	15.0	10	very low
Halliburton	30⅞	2.66	3.28	4.24	29.3	7.3	27	average
Hammermill Paper	49¼	3.25	6.17	7.79	26.3	6.3	8	average
Hanna Mining	18½	–2.84	1.45	1.99	37.2	9.3	7	very low
Hanover Insurance	28¼	3.82	2.60	3.81	46.5	7.4	5	very low
John H Harland	45¾	2.46	2.95	3.51	19.0	13.0	10	very high
Harnischfeger	9⅝	–3.49	0.43	1.78	314.0	5.4	6	very low
Harper Group	29	1.65	2.38	2.89	21.4	10.0	5	average
Hartmarx	27¼	3.05	3.49	3.99	14.3	6.8	11	average
Hawaiian Electric Industries	18⅞	2.06	2.22	2.30	3.6	8.2	10	average

Oilfield services and insurance are two industry groups where earnings estimates vary widely. If the optimists are right, there could be big profits here.

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Itys Corp.

How analysts see 1985 earnings

		Earnings per share				1985 estimate		
Company	Recent price	1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	P/E	number of analysts	confidence factor
HealthAmerica	21½	$0.26	$0.62	$0.91	46.8%	23.6	14	average
Hechinger	18¾	0.90	1.13	1.40	23.9	13.4	10	average
Heck's	11½	1.03	1.12	1.64	46.4	7.0	6	low
Hecla Mining	16½	1.05	0.98	1.26	28.6	13.1	13	very low
G Heileman Brewing	16⅛	2.15	2.10	2.30	9.5	7.0	15	low
HJ Heinz	40⅝	3.33	3.74	4.20	12.3	9.7	8	very high
Helmerich & Payne	21⅜	1.90	0.90	1.31	45.6	16.6	17	very low
Hercules	32⅞	3.17	3.87	4.56	17.8	7.2	21	average
Hershey Foods	37⅝	3.20	3.50	3.96	13.1	9.5	12	very high
Hewlett-Packard	36⅞	1.69	2.20	2.75	25.0	13.4	29	average
Hexcel	25¼	1.03	1.57	2.13	35.7	11.9	7	low
Hillenbrand Industries	19½	1.79	1.98	2.27	14.6	8.6	6	very high
Hilton Hotels	52⅛	3.96	3.80	4.84	27.4	10.8	20	average
Hogan Systems	11½	0.55	0.69	0.95	37.7	12.1	7	low
Holiday Inns	36⅞	3.28	3.64	4.43	21.7	8.3	20	high
Home Depot	14⅝	0.41	0.66	1.02	54.5	14.1	10	average
Home Fed S & L Assn	17½	1.59	2.93	3.23	10.2	5.4	11	low
Homestake Mining	26	1.08	0.80	1.42	77.5	18.3	13	very low
Honeywell	54	5.03	6.16	7.34	19.2	7.4	18	high
Hospital Corp of America	40	2.80	3.38	4.04	19.5	9.9	30	very high
Houghton Mifflin	31⅛	2.16	2.50	2.85	14.0	10.9	5	very high
House of Fabrics	16¾	1.46	1.83	2.15	17.5	7.8	5	high
Household International	32½	3.59	4.03	4.53	12.4	7.2	8	average
Houston Industries	21¼	3.54	3.90	4.08	4.6	5.2	15	very high
Harvey Hubbell	33¼	2.45	3.21	3.78	17.8	8.8	6	high
Hughes Tool	15	–1.64	–1.55	1.10	NM	13.6	29	very low
Humana	25⅝	1.63	1.96a	2.37	20.9	10.8	30	very high
EF Hutton Group	29⅝	4.42	1.18	2.65	124.6	11.2	7	very low
Hybritech	15	–0.05	0.14	0.38	171.4	39.5	9	very low
ITT	28⅝	4.50	3.31	4.25	28.4	6.7	15	low
Idaho Power	37	4.50	4.84	4.55	–6.0	8.1	12	average
Ideal Basic Industries	16½	–2.60	–0.71	1.61	NM	10.2	7	very low
Illinois Power	21⅞	3.80	3.78	3.77	–0.3	5.8	13	average
Illinois Tool Works	28¼	1.99	2.37	2.73	15.2	10.3	11	average
Imperial Chem Industries	32⅝	3.79	5.37	6.15	14.5	5.3	6	low
Imperial Corp America	8	–2.46	0.54	0.95	75.9	8.4	8	very low
Inco Ltd	10½	–2.69	–0.45	1.19	NM	8.8	18	very low
Inexco Oil	8⅞	0.51	0.61	0.84	37.7	10.6	15	very low
Informatics General	15½	1.67	1.24	1.73	39.5	9.0	13	low
Information Resources	26¼	0.41	0.70	1.09	55.7	24.1	6	high
Infotron Systems	24¼	1.31	1.74	2.30	32.2	10.5	5	high
Ingersoll-Rand	40⅞	–1.56	3.12	5.08	62.8	8.0	19	low
Inland Steel	22⅜	–2.40	1.71	3.89	127.5	5.8	11	very low
Insilco	17	1.99	2.13	2.47	16.0	6.9	5	low
InteCom	11½	0.33	0.37	0.70	89.2	16.4	17	low
Integrated Software Systems	16¼	0.60	0.81	1.11	37.0	14.6	7	very high

a: Actual NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Intel	29½	$1.05	$1.99	$2.62	31.7%	11.3	29	low
Interco	56⅝	7.02	8.00	8.91	11.4	6.4	7	high
InterFirst	12⅜	−2.82	0.91	1.65	81.3	7.5	17	low
Intergraph	51½	1.16	2.35	3.08	31.1	16.7	21	average
Intermedics	12	−0.93	0.39	1.00	156.4	12.0	11	very low
Intl Business Machines	121¼	9.04	10.62	12.25	15.3	9.9	31	very high
Intl Clinical Labs	17¼	0.85	1.01	1.34	32.7	12.9	11	average
Intl Flavors & Fragrances	25⅝	1.87	2.02	2.29	13.4	11.1	13	high
Intl Harvester	6½	−15.03	−1.50	1.40	NM	4.6	9	very low
Intl Multifoods	25½	4.03	2.90	3.48	20.0	7.3	5	average
Intl Paper	49¾	4.61	5.25	6.98	33.0	7.1	15	low
InterNorth	39	4.77	5.64	6.15	9.0	6.3	18	average
Interpublic Group	32¾	2.43	3.06	3.50	14.4	9.4	5	very high
Iowa Resources	27⅝	4.46	3.98	4.20	5.5	6.6	5	average
Ipalco Enterprises	31½	4.17	4.14	4.17	0.7	7.6	15	average
Irving Bank	27½	4.86	5.20	5.54	6.5	5.0	7	very high
IU International	15½	1.74	1.44	2.26	56.9	6.9	14	very low
Jackson National Life	30⅛	2.33	2.87	3.73	30.0	8.1	6	average
James River	32⅛	3.40	4.15	4.65	12.0	6.9	7	average
Jefferson-Pilot	35⅛	3.08	3.58	3.88	8.4	9.1	18	average
Johnson & Johnson	30⅝	2.57	2.83	3.23	14.1	9.5	25	high
Johnson Controls	40½	4.17	4.69	4.94	5.3	8.2	8	average
Joy Manufacturing	23¾	0.69	1.78	2.61	46.6	9.1	20	low
JWT Group	34½	3.03	3.99	4.61	15.5	7.5	6	high
K mart	34⅞	3.80	4.46	5.02	12.6	6.9	24	average
Kaiser Aluminum & Chemical	13⅝	−1.65	1.73	2.85	64.7	4.8	16	very low
Kaiser Cement	20¼	−1.33	−1.72	1.92	NM	10.6	8	very low
Kaneb Services	10⅝	1.75	0.86	1.27	47.7	8.4	10	low
Kansas City Power & Light	19⅝	4.15	4.09	4.00	−2.2	4.9	7	average
Kansas City So Ind	41½	4.11	4.56	5.24	14.9	7.9	7	high
Kansas Gas & Electric	17½	3.08	3.06	3.07	0.3	5.7	9	very high
Kansas Power & Light	32⅞	4.66	4.63	4.73	2.2	7.0	12	average
Carl Karcher Enterprises	22½	1.61	1.88	2.25	19.7	10.0	9	high
Kellogg	36⅝	3.17	3.24	3.55	9.6	10.3	16	very high
Kemper	38⅝	4.68	1.71	4.19	145.0	9.2	10	very low
Kentucky Utilities	23⅜	3.57	3.11	3.19	2.6	7.4	9	high
Kerr-McGee	31⅜	2.24	3.27	3.90	19.3	8.0	18	average
Key Pharmaceuticals	11¼	0.51	0.75	1.06	41.3	11.1	11	average
Keystone Intl	15⅝	0.86	1.08	1.47	36.1	10.6	8	average
Kidde	29½	3.07	3.62	4.05	11.9	7.3	5	high
Kimberly-Clark	44	4.19	5.01	5.72	14.2	7.7	13	high
Kinder-Care Learning Centers	15	0.37	0.62a	0.78	25.8	19.2	6	average
Knight-Ridder News	27⅛	1.80	2.21	2.54	14.9	10.7	20	very high
Kollmorgen	19¾	0.91	1.46	2.01	37.7	9.8	7	average
Koppers	21⅛	0.81	1.84	2.83	53.8	7.5	9	low
Kroger	38⅝	2.66	3.40	4.10	20.6	9.4	10	average

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	P/E	1985 estimate number of analysts	1985 estimate confidence factor
Kulicke & Soffa Industries	25⅝	$0.23	$1.72	$2.59	50.6%	9.9	9	average
LTV	11⅝	–4.09	–0.40	2.72	NM	4.3	11	very low
Lance	30¼	2.30	2.62	2.91	11.1	10.4	8	average
Lane	36¼	3.52	4.34	4.75	9.4	7.6	5	low
Lawson Products	21¾	1.22	1.64	2.01	22.6	10.8	7	high
Lawter International	12⅛	0.83	0.98	1.17	19.4	10.4	6	very high
Lear Petroleum	19	1.98	2.12	2.71	27.8	7.0	12	average
Leaseway Transportation	28⅛	3.12	3.25	3.88	19.4	7.2	11	average
Levi Strauss	27⅝	4.61	1.65	3.02	83.0	9.1	15	low
Liberty	23	2.03	2.24	2.47	10.3	9.3	7	average
Liebert	20½	0.80	1.04	1.32	26.9	15.5	5	very high
Eli Lilly	59⅞	6.13	6.73	7.30	8.5	8.2	28	very high
Limited	25¾	1.18	1.56	2.03	30.1	12.7	10	average
LIN Broadcasting	20⅝	1.06	1.26	1.44	14.3	14.1	7	high
Lincoln National Corp	35⅝	3.87	4.24	4.65	9.7	7.6	17	high
Liz Claiborne	47¾	2.13	3.60	4.51	25.3	10.6	9	high
Lockheed	46¼	4.18	5.20	6.36	22.3	7.3	24	very high
Lone Star Industries	23⅞	–0.26	0.33	2.50	657.6	9.6	7	very low
Long Island Lighting	6¼	2.80	2.78	2.58	–7.2	2.4	9	very low
Longs Drug Stores	41⅜	3.43	3.86	4.35	12.7	9.5	10	very high
Loral	27¼	1.44	1.79	2.20	22.9	12.4	15	high
Lorimar	33⅝	1.75	2.06a	4.15	101.5	8.1	5	low
Lotus Development	22¾	0.98	2.18	2.84	30.3	8.0	15	very low
Louisiana Land & Exploration	30	2.65	3.25	3.52	8.3	8.5	14	average
Louisiana Pacific	20¼	0.82	1.53	1.70	11.1	11.9	12	very low
Louisville Gas & Electric	25¼	2.87	3.16	3.20	1.3	7.9	10	high
Lowe's Cos	21⅝	1.40	1.82	2.14	17.5	10.1	16	average
LSI Logic	15¾	0.44	0.67	0.97	44.8	16.2	9	low
Lubrizol	21⅞	1.65	1.95	2.30	17.9	9.5	15	average
Luby's Cafeterias	30¼	1.15	1.43a	1.64	14.7	18.5	8	very high
Lucky Stores	17½	2.02	2.23	2.47	10.8	7.1	12	high
LyphoMed	12½	0.41	0.53	0.70	32.1	17.9	6	average
M/A-Com	18¼	0.72	0.91	1.27	39.6	14.4	21	average
MAPCO	25	1.73	2.88	3.37	17.0	7.4	8	high
MCA	43⅜	3.06	2.42	3.46	43.0	12.5	15	average
MDC	10¼	1.00	1.15	1.28	11.3	8.0	5	average
MEI	36⅞	2.27	2.67	3.11	16.5	11.9	13	high
Macmillan	38½	2.16	2.62	3.03	15.6	12.7	5	average
MacNeal-Schwendler	12⅝	0.45	0.59	0.75	27.1	16.8	5	high
Mack Trucks	14½	–0.97	2.27	3.42	50.7	4.2	7	low
Management Science of America	9¼	0.62	0.78	1.11	42.2	8.3	18	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Isys Corp.

Confidence factors behind these estimates vary widely. Analysts, for example, are in close agreement about Warner-Lambert. But they are poles apart on AT&T.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Manhattan Industries	18¼	$2.89	$3.17	$3.94	24.3%	4.6	5	low
Manufacturers Hanover	31⅛	8.37	7.47	8.40	12.4	3.7	16	average
Marine Midland Banks	25¾	4.85	5.09	5.72	12.4	4.5	5	average
Marriott	75	4.15	5.10	6.07	19.0	12.4	16	high
Marsh & McLennan	51½	3.49	2.41	4.13	71.4	12.5	13	average
Martin Marietta	42¾	4.23	4.93	5.91	19.9	7.2	15	average
Mary Kay Cosmetics	10⅜	1.22	0.98	1.18	20.0	8.8	10	low
Maryland National	39	4.69	5.74	6.63	15.5	5.9	5	average
Masco	25¼	1.93	2.50	2.90	16.0	8.7	11	average
Matrix Corp	19	0.62	0.95	1.21	26.9	15.7	8	average
Maxicare Health Plans	25¾	0.35	0.62	0.98	58.1	26.3	11	average
May Department Stores	39	4.32	4.87	5.37	10.1	7.4	20	very high
Maytag	46½	4.37	4.88	4.99	2.3	9.3	7	high
McCormick & Co	32¼	2.35	3.86	3.13	–18.9	10.3	6	average
McDermott Intl	28	3.06	2.75	4.03	46.5	6.9	12	very low
McDonald's	53	3.83	4.39	5.06	15.2	10.5	19	very high
McDonnell Douglas	71	6.91	7.75	9.62	24.1	7.4	20	average
McGraw-Edison	35⅜	1.92	3.75	4.81	28.3	7.4	13	average
McGraw-Hill	41	2.52	2.94	3.37	14.6	12.2	14	very high
McKesson	38	3.49	3.55	3.90	9.9	9.7	6	average
MCI Communications	7⅝	0.67	0.56	0.84	50.0	9.1	19	very low
MCorp*	23½	3.96	4.00	4.57	14.3	5.1	15	average
Mead	34⅞	1.30	4.65	5.86	26.0	6.0	15	low
Measurex	19½	0.65	1.38	1.71	23.9	11.4	8	average
Media General	60	5.07	5.31	5.84	10.0	10.3	7	average
Mellon Bank†	42½	7.44	6.01	7.13	18.6	6.0	14	high
Melville	37⅜	3.36	3.88	4.42	13.9	8.5	15	very high
Mentor Graphics	22⅝	–9.00	0.61	1.17	91.8	19.3	13	average
Mercantile Stores	52⅝	5.65	6.36	7.19	13.1	7.3	7	very high
Merck & Co	82	6.10	6.69	7.52	12.4	10.9	31	very high
Merrill Lynch	29⅞	2.68	0.79	2.03	157.0	14.7	8	very low
Mesa Petroleum	19½	1.72	1.04	1.37	31.7	14.2	19	very low
MGM Grand Hotels	11⅜	0.65	0.47	0.88	87.2	13.2	8	low
MGM/UA Entertainment	12⅝	0.57	0.81	1.07	32.1	11.8	13	very low
MGM/UA Home Entertain Group	20⅝	1.40	1.63	1.96	20.2	10.5	7	average
Micom Systems	34½	1.34	1.82	2.48	36.3	13.9	10	average
MidCon	38½	4.11	4.72	5.29	12.1	7.3	15	high
Middle South Utilities	12¾	2.46	2.66	2.63	–0.9	4.8	12	high
Midland-Ross	18⅜	–0.83	1.37	2.15	56.9	8.7	6	low
Midlantic Banks	25¾	3.45	3.98	4.39	10.3	5.9	5	high
Millipore	32⅞	1.52	1.98	2.56	29.3	12.8	14	average
Minnesota Mining & Mfg	79½	5.67	6.59	7.73	17.3	10.3	18	high
Minnesota Power & Light	29⅜	3.82	4.00	4.20	5.0	7.0	11	average
Mission Insurance Group	10⅝	–1.29	–4.73	–0.93	NM	NM	11	very low
Mitchell Energy & Development	18¼	1.52	1.72	2.27	32.0	8.0	13	low
Mobil	28⅞	3.69	3.86	4.33	12.2	6.7	29	average

*Formerly Mercantile Texas. †Formerly Mellon National. a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	number of analysts	confidence factor
Mohasco	17⅞	$1.96	$2.64	$3.12	18.2%	5.7	5	low
Monarch Capital	39⅝	3.30	3.91	4.44	13.6	8.9	8	average
Monolithic Memories	17	0.60	1.31	1.71	30.5	9.9	14	average
Monsanto	43⅞	4.88	6.50	7.32	12.6	6.0	28	average
Montana Power	24¼	4.22	2.65	3.32	25.3	7.3	12	low
Montana-Dakota Utilities	28½	3.90	4.17	4.60	10.3	6.2	5	high
Moore McCormack Resources	22⅛	1.33	2.21	3.69	67.0	6.0	8	low
JP Morgan	72¾	10.52	11.51	12.67	10.1	5.7	20	high
Motorola	34⅞	2.09	3.26	3.90	19.6	8.9	29	average
Multimedia	33¾	2.15	2.47	2.85	15.4	11.8	9	very high
Murphy Oil	30¾	3.60	2.94	3.58	21.8	8.6	13	average
Murray Ohio Mfg	21	3.53	2.38	2.60	9.2	8.1	6	very low
NCNB	32½	3.68	4.02	4.49	11.7	7.2	16	very high
NCR	24⅜	2.64	3.13	3.58	14.4	6.8	20	very high
NICOR	28½	1.66	2.17	2.64	21.7	10.8	8	average
NYNEX	71¼	9.88	9.77	10.46	7.1	6.8	27	very high
Nabisco Brands	50¾	4.86	5.13	5.81	13.3	8.7	21	high
Nalco Chemical	23¾	1.78	2.13	2.50	17.4	9.5	15	high
National City Corp	33¼	6.39	4.83	5.27	9.1	6.3	9	high
National Distillers & Chemical	26½	1.77	2.86	3.46	21.0	7.7	7	average
National Education	17⅜	0.70	0.92	1.18	28.3	14.7	5	average
National Gypsum	35¾	3.01	6.56	6.85	4.4	5.2	8	very low
National Intergroup	28¾	–9.46	3.07	5.36	74.6	5.4	11	very low
National Medical Care	17⅞	1.26	1.48	1.71	15.5	10.5	7	average
National Medical Enterprises	21¼	1.74	2.11	2.55	20.9	8.3	7	high
National Semiconductor	12¾	0.75	1.39	1.88	35.3	6.8	13	average
NBD Bancorp	48⅜	6.62	7.53	8.21	9.0	5.9	5	high
Network Systems	23⅜	0.46	0.71	1.03	45.1	22.7	17	average
Nevada Power	26¾	2.74	3.19	3.25	1.9	8.2	10	high
New England Electric Sys	35⅛	5.48	5.53	5.76	4.2	6.1	14	high
New York State Elec & Gas	21¼	3.03	3.38	3.43	1.5	6.2	13	very high
New York Times	33½	1.82	2.52	2.94	16.7	11.4	12	high
Newell Cos	13¾	1.48	1.76	2.04	15.9	6.7	5	very high
Newmont Mining	35	1.73	1.68	3.24	92.9	10.8	15	low
Newport Corp	23	0.56	0.73a	0.93	27.4	24.7	7	high
Niagara Mohawk Power	16¼	2.77	2.79	2.86	2.5	5.7	12	high
NL Industries	12¾	–1.80	0.41	1.15	180.5	11.1	17	very low
Noble Affiliates	16¼	0.52	0.58	1.10	89.7	14.8	21	very low
Nordstrom	32½	2.15	2.42	2.95	21.9	11.0	18	average
Norfolk Southern	55½	5.67	7.31	8.08	10.5	6.9	20	average
North American Coal	48⅛	6.27	7.34	7.90	7.6	6.1	6	high
Northeast Utilities	13⅛	2.37	2.52	2.56	1.6	5.1	15	high
Northern Indiana Pub Svc	14⅝	1.73	1.94	2.01	3.6	7.3	14	average
Northern States Power	41¼	5.60	5.69	5.79	1.8	7.1	19	high
Northrop	33¾	2.21	3.28	4.52	37.8	7.5	19	average
Northwest Airlines	38	2.19	4.71	5.55	17.8	6.8	17	low

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Isys Corp.

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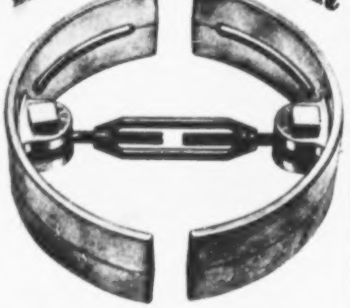

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How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	1984 estimates	1985 estimates
Northwestern National Life Ins	25⅛	$2.01	$2.58	$2.95
Norton	37½	2.45	3.05	4.09
Norwest	26	4.05	4.25	4.94
Novo Industri A/S	24¼	2.91	3.11	3.69
Noxell	43⅞	2.33	2.80	3.28
Nucor	30	1.98	3.23	4.57
ONEOK	28¾	2.51	3.92	4.32
Oakwood Homes	20⅞	1.34	1.63	1.94
Occidental Petroleum	30⅜	1.06	2.28	3.27
Ocean Drilling & Exploration	26½	2.31	1.83	2.57
Ogden	25⅛	2.66	2.64	3.49
Ogilvy & Mather Intl	35	1.99	2.73	3.21
Ohio Casualty Corp	41¾	4.85	2.79	3.64
Ohio Edison	13	2.22	2.29	2.29
Oklahoma Gas & Electric	22⅛	2.68	2.67	2.79
Olin	30½	3.01	3.95	4.78
Omnicare	8¾	1.69	1.22	1.53
Optical Coating Laboratory	15⅜	2.04	1.43	1.77
Orange & Rockland Utilities	23⅞	2.64	2.76	2.87
Orion Capital	22⅞	2.04	0.59	1.48
Outboard Marine	23¾	2.26	3.00	3.49
Overnite Transportation	23⅜	2.10	2.43	2.79
Owens-Corning Fiberglas	30⅜	2.77	4.40	4.84
Owens-Illinois	41⅛	2.46	4.61	5.47
Ozark Holdings*	9	0.17	1.28	1.58
PSA	17⅜	–2.95	0.02	1.33
Paccar	44¼	2.07	5.99	7.58
PacifiCorp	23¾	4.11	3.55	3.86
Pacific Gas & Electric	14⅞	2.15	2.56	2.69
Pacific Lighting	35⅛	5.02	5.22	5.58
Pacific Lumber	25¾	1.17	2.05	2.29
Pacific Telesis Group	65⅜	8.17	8.34	8.94
Paco Pharmaceutical Svcs	15¾	0.92	0.99	1.27
Palm Beach	37⅜	3.60	4.36	5.16
Panhandle Eastern	36⅞	3.64	4.38	5.16
Papercraft	14⅜	0.99	1.26	1.50
Paradyne	12½	0.16	0.70	1.23
Parker Drilling	7⅜	–0.88	–1.41	–0.27
Parker Pen	16⅜	0.70	0.94	1.66
Pay Less Drug Stores NW	21⅜	1.35	1.62	1.91
Pay'n Pak Stores	15¾	1.11	1.33	1.61
Payless Cashways	14¼	1.29	1.35	1.68
Peabody Intl	8	0.78	0.21	0.97
Peak Health Care	21⅜	0.35	0.67	0.95
Penn Central	46⅜	–0.43	3.80	4.37
JC Penney	51¾	6.25	6.87	7.69

*Formerly Ozark Air Lines. a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

% change 1985 vs. 1984 estimates	1985 estimate		
	P/E	number of analysts	confidence factor
14.3%	8.5	5	low
34.1	9.2	8	low
16.2	5.3	21	average
18.6	6.6	9	low
17.1	13.4	12	very high
41.5	6.6	8	very low
10.2	6.7	9	high
19.0	10.8	6	average
43.4	9.4	13	very high
40.4	10.3	14	low
32.2	7.2	8	average
17.6	10.9	6	high
30.5	11.5	17	very low
0.0	5.7	13	average
4.5	7.9	18	high
21.0	6.4	12	low
25.4	5.7	9	very low
22.8	8.9	6	average
4.0	8.3	7	high
150.9	15.9	5	very low
16.3	6.8	6	average
14.8	8.5	16	high
10.0	6.3	14	low
18.7	7.5	9	average
23.4	5.7	10	very low
NM	13.1	8	very low
26.5	5.8	10	low
8.7	6.2	15	very high
5.1	5.5	17	high
6.9	6.3	10	very high
11.7	11.2	7	average
7.2	7.3	28	high
28.3	12.4	5	high
18.3	7.2	6	average
17.8	7.1	19	average
19.0	9.6	5	very high
75.7	10.2	11	low
NM	NM	17	very low
76.6	9.9	7	low
17.9	11.2	10	high
21.1	9.8	7	average
24.4	8.5	16	average
361.9	8.2	5	low
41.8	22.5	8	average
15.0	10.6	5	very low
11.9	6.7	23	high

1984

BAYERISCHE VEREINSBANK **New York Branch**

1974

Ten years ago Bayerische Vereinsbank AG of Munich, West Germany, converted its New York Representative Office into a full-service branch. As in many other places around the world we were the first Bavarian bank to arrive. BV appreciates the support of the American business community. Not only in New York City but also in Atlanta, Chicago, Cleveland, Los Angeles and the Cayman Islands.

Ten years of growth have required us to occupy new quarters on Madison Avenue. Our highly motivated staff offers efficient services for all types of financial transactions. Bayerische Vereinsbank service is innovative and international, extended out of 400 offices in Southern Germany and major business centers of the Federal Republic. Our home base is complemented by offices in twenty locations strategically placed around the globe. Some of our units have been in business for 200 years. Since the times of George Washington. If you ask for experience and tradition the answer is Bayerische Vereinsbank.

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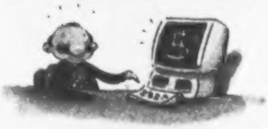
BAYERISCHE
VEREINSBANK
AKTIENGESELLSCHAFT

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Pennsylvania Power & Light	24⅛	$3.06	$3.25	$3.41	4.9%	7.1	13	high
Pennwalt	36½	3.58	3.77	4.47	18.6	8.2	11	average
Pennzoil	40¾	3.03	3.84	4.36	13.5	9.3	18	average
Pentair	27⅝	2.40	3.89	4.37	12.3	6.3	9	average
People Express Airlines	10⅜	0.57	0.60	1.07	78.3	9.7	12	low
Peoples Energy	14⅜	1.25	1.86	1.78	–4.3	8.2	6	high
PepsiCo	43½	3.01	3.59	4.18	16.4	10.4	21	very high
Permian Basin Royalty Trust	9	1.21	1.22	1.32	8.2	6.8	7	average
Petrolite	29¼	1.86	2.14	2.51	17.3	11.7	11	very high
Pfizer	36⅜	2.73	3.11	3.52	13.2	10.3	29	very high
Pharmacia AB ADR	16½	0.94	1.14	1.48	29.8	11.1	6	low
Phelps Dodge	15⅞	–3.04	–2.53	0.97	NM	16.4	17	very low
Phibro-Salomon	30⅝	3.35	3.43	4.11	19.8	7.5	8	average
Philadelphia Electric	13⅞	2.40	2.53	2.54	0.4	5.5	12	very high
Philips Industries	15	1.43	1.75	2.06	17.7	7.3	5	high
Philip Morris	78½	7.17	8.37	9.80	17.1	8.0	20	very high
Phillips Petroleum	40	4.71	5.06	5.43	7.3	7.4	31	high
Pic'n'Save	20⅜	1.17	1.37	1.67	21.9	12.2	11	high
Piedmont Aviation	29⅛	3.28	4.64	5.44	17.2	5.4	17	low
Pillsbury	42¾	3.91	4.30	4.80	11.6	8.9	5	very high
Pioneer Corp	27½	2.01	2.11	2.58	22.3	10.7	16	low
Pioneer Hi-Bred Intl	29	1.37	2.30	3.22	40.0	9.0	13	average
Pitney Bowes	31⅛	2.23	3.51	4.02	14.5	7.7	10	very high
Pittston	11½	–2.08	–0.16	0.72	NM	16.0	9	very low
PNC Financial	43⅝	5.66	6.15	6.95	13.0	6.3	10	very high
Pogo Producing	21¾	0.88	0.98	1.43	45.9	15.2	8	very low
Polaroid	26⅛	1.61	1.77	2.53	42.9	10.3	19	low
Policy Management Systems	25¼	0.63	0.85	1.15	35.3	22.0	12	very high
Ponderosa	15⅝	1.51	2.18	2.73	25.2	5.7	9	average
Portland General Electric	15¾	3.01	2.83	2.94	3.9	5.4	6	average



Experts predict that Apple's earnings will be up 125% next year, the best gain among big computer companies.

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Potlatch	29¼	2.03	3.40	4.25	25.0	6.9	11	low
Potomac Electric Power	24⅜	2.66	2.87	2.98	3.8	8.3	18	average
PPG Industries	33¾	3.34	4.58	5.31	15.9	6.4	10	average
Prentice-Hall	45½	3.93	4.04	4.66	15.3	9.8	6	average
Preston	14¾	1.35	1.65	1.97	19.4	7.5	7	low
Price Co	43½	0.67	1.18	1.71	44.9	25.4	10	average
Primark	32¼	3.48	5.26	5.69	8.2	5.7	7	average
Prime Computer	16½	0.68	1.07	1.40	30.8	11.8	28	average
Products Research & Chemical	10¾	0.80	0.51	0.81	58.8	13.3	6	average
Progressive Ohio	36¼	2.81	3.41	4.00	17.3	9.1	9	low
Provident Life & Accident	73½	9.54	10.09	11.08	9.8	6.6	8	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share			% change 1985 vs. 1984 estimates	1985 estimate		
		1983	1984 estimates	1985 estimates		P/E	number of analysts	confidence factor
Public Service Electric & Gas	25⅛	$3.43	$3.70	$3.73	0.8%	6.7	18	high
Public Service of Indiana	8⅜	4.46	1.11	1.08	–2.7	7.8	10	low
Public Service of Colorado	18⅛	1.86	2.27	2.34	3.1	7.7	17	high
Public Service of New Mexico	24⅝	3.53	3.10	3.43	10.6	7.2	13	average
Puget Sound Power & Light	12½	1.93	1.87	1.91	2.1	6.5	5	low
Pulte Home	15⅝	1.84	0.64	1.09	70.3	14.1	7	very low
Quaker State Oil Refining	17	1.66	1.86	2.34	25.8	7.3	5	average
Quantum	20	1.12	1.87	2.43	29.9	8.2	5	average
Questar*	28⅝	3.04	3.19	3.71	16.3	7.7	9	high
Quotron Systems	10½	0.69	0.87	1.08	24.1	9.7	10	high
RCA	37⅝	2.10	3.31	4.08	23.3	9.2	13	average
RPM	15¾	1.09	1.34	1.61	20.1	9.8	6	high
RTE	13⅝	1.67	1.85	2.26	22.2	6.0	5	very high
Rainier Bancorp	41⅝	4.90	5.89	6.57	11.5	6.3	14	high
Ralston Purina	33⅜	2.49	2.82	3.32	17.7	10.1	20	high
Ramada Inns	6¾	0.13	0.51	0.78	52.9	8.7	13	low
Ransburg	18½	0.10	–0.13	1.66	NM	11.1	7	very low
Raytheon	40¼	3.55	3.96	4.98	25.8	8.1	26	high
Reading & Bates	10¼	1.05	0.22	0.67	204.6	15.3	18	very low
Redman Industries	10	0.78	0.97	1.29	33.0	7.8	8	very low
Reichhold Chemicals	32	2.74	3.56	4.39	23.3	7.3	8	high
Republic Health	13¼	0.89	1.34	1.86	38.8	7.1	6	average
RepublicBank	30⅛	4.61	4.66	5.32	14.2	5.7	20	average
Research-Cottrell	17⅝	0.55	0.92	1.33	44.6	13.3	5	low
Resorts International	38⅝	2.19	2.15	3.70	72.1	10.4	9	very low
Revlon	37⅛	2.80	3.14	3.49	11.1	10.6	17	high
Rexham	18¾	1.85	2.49	2.79	12.0	6.7	8	average
Rexnord	15⅞	0.19	1.25	2.21	76.8	7.2	9	low
Reynolds & Reynolds	30½	2.51	3.53	4.19	18.7	7.3	7	average
RJ Reynolds Industries	68¼	7.25	7.60	8.53	12.2	8.0	23	high
Reynolds Metals	30½	–3.46	4.44	5.65	27.3	5.4	19	very low
Rio Grande Industries	50⅜	2.09	3.12	3.51	12.5	14.4	9	average
Rite Aid	25¼	1.42	1.73	2.02	16.8	12.5	12	very high
Roadway Svcs	28¼	2.47	2.63	3.01	14.4	9.4	19	very high
AH Robins	18⅝	2.40	1.97	2.26	14.7	8.2	15	very low
Rochester Telephone	32¼	3.43	3.83	4.21	9.9	7.7	14	high
Rockwell International	28⅜	2.46	3.21	3.88	20.9	7.3	17	average
Rohm & Haas	59⅞	5.33	7.27	8.06	10.9	7.4	19	average
Rollins Environmental Svcs	16¾	0.45	0.91	1.20	31.9	14.0	6	average
Rorer Group	29½	2.02	2.26	2.58	14.2	11.4	10	high
Rowan Cos	11¼	0.38	0.16	0.85	431.3	13.2	22	very low
Royal Dutch Petroleum	47¾	9.59	10.76	11.73	9.0	4.1	21	average
Rubbermaid	38¾	2.30	2.74	3.15	15.0	12.3	10	very high
Russ Togs	15¾	2.29	2.36	2.62	11.0	6.0	6	average
Russell Corp	12½	1.35	1.47	1.66	12.9	7.5	6	low
Ryan's Family Steak House	19¼	0.52	0.78	1.15	47.4	16.7	6	average

*Formerly Mountain Fuel Supply. a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Ins Corp.

How analysts see 1985 earnings

		Earnings per share			% change	1985 estimate		
Company	**Recent price**	**1983**	**1984 estimates**	**1985 estimates**	**1985 vs. 1984 estimates**	**P/E**	**number of analysts**	**confidence factor**
Ryder System	48⅞	$4.30	$5.20	$5.90	13.5%	8.3	16	high
Ryland Group	18½	2.52	1.71	1.89	10.5	9.8	7	very low
SAFECO	33¾	3.56	3.34	3.88	16.2	8.7	20	average
SRI	17½	2.00	1.34	2.17	61.9	8.1	5	very low
Sabine Corp	17⅝	2.44	0.93	1.15	23.7	15.3	20	low
Safeguard Business Systems	15	0.93	1.11	1.32	18.9	11.4	6	high
Safety-Kleen	37¼	1.71	2.11	2.55	20.9	14.6	13	very high
Safeway Stores	25½	3.26	3.48	3.92	12.6	6.5	12	high
St Regis Corp	53¾	1.41	4.00	5.44	36.0	9.9	12	average
San Diego Gas & Electric	21¾	3.20	3.07	3.15	2.6	6.9	12	high
Santa Fe Southern Pacific	25	1.77	2.59	3.07	18.5	8.1	17	average
Schering-Plough	36	3.40	3.57	3.95	10.6	9.1	29	high
Schlumberger	43⅞	3.73	4.22	5.07	20.1	8.7	27	average
SCOA Industries	24⅛	2.22	2.62	3.00	14.5	8.0	5	average
Scott & Fetzer	54¾	4.80	5.43	5.99	10.3	9.1	5	high
Scott Paper	30	2.58	3.75	4.49	19.7	6.7	11	average
Seagram	37¾	3.53	4.39	5.16	17.5	7.3	6	average
Seagull Energy	17¾	2.25	1.28	2.55	99.2	7.0	6	low
Sealed Air	25¼	1.30	1.85	2.22	20.0	11.4	12	very high
Sealed Power	25⅝	2.38	3.11	3.65	17.4	7.0	5	average
GD Searle	58⅞	3.04	3.30	4.38	32.7	13.4	28	average
Sears, Roebuck	32⅛	3.80	4.43	5.04	13.8	6.4	21	high
Security Pacific	52	7.23	7.84	8.77	11.9	5.9	23	high
Service Merchandise	14	1.49	1.70	2.08	22.4	6.7	12	high
ServiceMaster Industries	31½	1.17	1.41	1.70	20.6	18.5	11	high
Shared Medical Systems	26¾	1.11	1.37	1.67	21.9	16.0	25	very high
Shell Oil	56⅛	5.28	5.42	5.93	9.4	9.5	21	average
Sherwin-Williams	28⅞	2.04	2.74	3.25	18.6	8.9	7	very high
Shoney's Inc	33⅞	1.16	1.43	1.75	22.4	19.4	18	very high
Sierra Pacific Resources	15¾	1.70	1.98	1.99	0.5	7.9	5	high
Sigma-Aldrich	45¼	2.28	2.72	3.21	18.0	14.1	7	very high
Signal Cos	29¾	0.90	2.59	3.22	24.3	9.2	11	high
Silicon Valley Group	18	0.76	1.27	1.81	42.5	9.9	6	average
Singer	32⅛	0.64	3.20	4.23	32.2	7.6	12	low
Smith International	14⅜	−4.17	0.63	1.46	131.7	9.9	24	very low
SmithKline Beckman	55¾	5.89	6.34	6.97	9.9	8.0	28	very high
Snap-On Tools	34⅝	2.12	2.89	3.30	14.2	10.5	10	average
Society	32½	4.53	5.09	5.71	12.2	5.7	5	very high
Sonat	34	5.20	4.77	5.11	7.1	6.7	18	high
Sonoco Products	39	3.08	4.25	4.86	14.4	8.0	7	high
Sony ADR	15⅝	0.55	1.26	1.54	22.2	10.1	10	average
South Carolina Electric & Gas	22⅜	2.29	2.54	2.63	3.5	8.5	11	high
Southeast Banking	26	3.01	3.40	3.87	13.8	6.7	11	average
Southern California Edison	21⅝	3.11	3.14	3.26	3.8	6.6	20	high
Southern Co	17½	2.67	2.82	2.89	2.5	6.1	17	average
Southern Indiana Gas & Elec	31¼	4.28	4.48	4.59	2.5	6.8	13	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Southern New England Tel	33⅞	$3.96	$4.15	$4.46	7.5%	7.6	11	very high
Southland Corp	31	3.17	4.10	5.03	22.7	6.2	10	low
Southland Royalty	15	1.11	0.78	0.98	25.6	15.3	16	low
Southwest Airlines	17⅝	1.44	1.76	2.24	27.3	7.9	18	low
Southwest Bell	66	8.50	8.87	9.48	6.9	7.0	27	high
Southwestern Energy	24¼	1.58	2.16	2.49	15.3	9.7	8	very high
Southwestern Public Svc	21	2.36	2.47	2.60	5.3	8.1	13	high
Sovran Financial	36⅛	4.12	4.66	5.24	12.4	6.9	9	high
Spectra-Physics	25⅛	0.22	1.01	1.91	90.1	13.1	9	low
Sperry	36⅛	4.17	5.17	6.12	18.4	5.9	11	average

Earnings at Merrill Lynch should be more than $2 next year. That's an increase of over 150%, but barely half the firm's 1982 record.

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Springs Industries	31¾	4.15	4.53	5.26	16.1	6.0	7	high
Square D	37⅞	2.22	3.56	4.21	18.3	9.0	12	high
Squibb	47	3.31	3.69	4.21	14.1	11.2	29	very high
AE Staley Mfg	19	0.47	1.31	2.75	109.9	6.9	16	low
Standard Brands Paint	18¾	1.68	1.97	2.28	15.7	8.2	12	average
Standard Microsystems	20	0.74	1.29	1.72	33.3	11.6	6	low
Standard Motor Products	16⅛	1.60	1.94	2.31	19.1	7.0	7	high
Standard Oil of Indiana	59⅛	6.39	7.45	8.28	11.1	7.1	32	high
Standard Oil of Ohio	46	6.14	6.93	7.66	10.5	6.0	30	very high
Stanley Works	26⅛	1.92	2.60	3.00	15.4	8.7	10	average
State Street Boston	38½	4.45	4.96	5.44	9.7	7.1	8	average
Stauffer Chemical	17⅝	–0.28	1.21	2.09	72.7	8.4	23	low
Sterling Drug	27⅛	2.24	2.42	2.66	9.9	10.2	30	high
JP Stevens	16⅛	1.09	1.27	1.94	52.8	8.4	9	very low
Stone Container	31	–0.31	2.97	5.88	98.0	5.3	10	low
Stop & Shop Cos	47½	4.73	5.11	5.78	13.1	8.2	5	very high
Storage Technology	5⅝	–0.28	–0.07	1.28	NM	4.2	11	very low
Storer Communications	40½	–2.42	–0.87	1.04	NM	38.9	14	very low
Stratus Computer	9½	0.13	0.27	0.49	81.5	19.4	10	low
Stryker	20¼	1.16	1.40	1.68	20.0	12.4	11	very high
Subaru of America	103⅛	8.17	9.83	12.08	22.9	8.5	8	average
Sun Co	49	3.78	4.80	5.26	9.6	9.3	24	high
Sundstrand	42⅞	2.42	3.66	5.07	38.5	8.5	13	high
Sunshine Mining	9⅞	0.22	0.21	0.38	81.0	26.0	6	very low
Super Valu Stores	29½	2.08	2.37	2.77	16.9	10.6	6	high
Supermarkets General	28¾	2.22	2.77	3.29	18.8	8.7	8	high
Swift Independent	23⅞	4.40	2.14	3.74	74.8	6.4	7	very low
Systematics Inc	14	0.56	0.73	0.94	28.8	14.9	7	high
Systems & Computer Technology	26	0.57	0.81	1.13	39.5	23.0	9	high
TDK Corp ADS	42⅛	2.11	2.54	2.97	16.9	14.2	5	very high
TRW	70	5.24	6.80	7.81	14.9	9.0	17	high

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Taft Broadcasting	61½	$4.03	$ 4.94	$5.62	13.8%	10.9	13	average
Tambrands	58¼	4.59	5.21	5.84	12.1	10.0	13	very high
Tandem Computers	17⅛	0.76	0.85	1.26	48.2	13.6	23	average
Tandon	6⅜	0.47	0.84	1.10	31.0	6.0	18	low
TECO Energy	28⅜	3.14	3.41	3.50	2.6	8.1	15	high
Tektronix	56⅜	4.44	5.59	6.81	21.8	8.3	10	average
Tele-Communications	19⅜	0.46	0.51	0.52	2.0	38.0	7	very low
Teledyne	270⅜	14.87	20.91	26.53	26.9	10.2	8	low
Telepictures	16	0.93	1.17	1.51	29.1	10.6	5	average
Telex	33½	2.48	3.40	4.05	19.1	8.3	5	average
Tellabs	13¼	0.99	1.15	1.44	25.2	9.2	7	average
Temple-Inland	32½	1.99	4.01	5.30	32.2	6.1	9	low
Tenneco	37	4.75	5.58	6.37	14.2	5.8	24	high
Teradyne	28⅛	1.08	1.86	2.44	31.2	11.5	20	average
Texaco	35⅜	4.80	5.00	5.59	11.8	6.3	31	average
Texas Air	8⅛	−14.58	0.97	1.55	59.8	5.3	6	very low
Texas American Bancshares	36⅜	3.66	4.39	4.89	11.4	7.5	7	very high
Texas Commerce Bancshares	42⅜	5.50	5.96	6.66	11.7	6.4	21	high
Texas Eastern	31⅛	2.98	3.94	4.42	12.2	7.1	19	average
Texas Instruments	129⅜	−6.09	14.11	16.13	14.3	8.0	31	average
Texas Oil & Gas	21	1.40	1.68	2.06	22.6	10.2	29	high
Texas Utilities	25⅞	3.90	4.19	4.33	3.3	6.0	24	very high
Textron	32⅛	2.40	3.16	3.85	21.8	8.3	9	average
Thermo Electron	19½	0.01	1.14	1.62	42.1	12.0	8	average
Thomas & Betts	32½	1.74	2.55	3.12	22.4	10.4	11	average
Thousand Trails	25⅜	1.14	1.64	2.12	29.3	12.2	5	average
Tidewater Inc	21⅛	0.08	0.61	1.32	116.4	16.0	7	very low
TIE/Communications	10	1.14	0.91	1.35	48.4	7.4	10	low
Time Inc	43⅜	2.09	3.30	3.81	15.5	11.5	21	average
Times Mirror	38½	2.90	3.30	3.76	13.9	10.2	16	high
Timken	55⅜	0.05	5.57	7.10	27.5	7.8	5	low
Toledo Edison	17⅛	3.50	3.53	3.49	−1.1	4.9	7	high
Torchmark	30⅜	2.56	2.96	3.33	12.5	9.1	15	average
Toys "R" Us	48¾	1.62	2.18	2.79	28.0	17.5	17	high
Tracor	25½	1.60	2.03	2.39	17.7	10.7	12	average
Trans World Airlines	9⅜	−1.74	1.28	1.62	26.6	6.0	13	very low
Transamerica	25⅜	2.77	3.17	3.56	12.3	7.2	12	high
Transco Energy	52⅜	5.10	5.46	5.85	7.1	9.0	19	average
Transworld Corp	28⅜	1.29	3.08	3.66	18.8	7.9	11	low
Travelers	36⅜	4.08	3.94	4.40	11.7	8.3	20	low
Triad Systems	10	0.29	0.76	1.22	60.5	8.2	10	very low
Tribune Co	30½	1.89	2.37	2.88	21.5	10.6	8	high
Tucson Electric Power	39½	5.37	4.95	5.54	11.9	7.1	13	average
Tyler Corp	29¼	1.88	2.83	3.68	30.0	7.9	7	low
UAL	40⅜	3.88	6.54	7.29	11.5	5.6	15	low
USLIFE	31¾	3.67	3.70	4.18	13.0	7.6	13	high

a: Actual. NM: Not meaningful.

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How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	1985 estimate P/E	1985 estimate number of analysts	1985 estimate confidence factor
Ultrasystems	18⅞	$0.72	$1.20	$1.78	48.3%	10.6	6	low
Ungermann-Bass	14¾	0.10	0.39	0.76	94.9	19.4	9	average
Union Camp	34⅞	2.73	4.04	4.83	19.6	7.2	16	average
Union Carbide	48⅞	3.11	6.17	7.40	19.9	6.6	29	low
Union Electric	14¾	2.13	2.60	2.55	–1.9	5.8	11	average
Union Pacific	39	2.40	4.05	4.75	17.3	8.2	17	high
Uniroyal	14⅛	1.55	2.45	2.78	13.5	5.1	6	average
United Banks of Colorado	21½	2.40	2.93	3.29	12.3	6.5	5	high
United Energy Resources	24⅝	1.04	3.26	3.75	15.0	6.6	15	average
US Bancorp	23⅜	2.66	3.06	3.52	15.0	6.6	14	high
US Gypsum	61	4.77	11.44	11.61	1.5	5.3	8	very low
US Health Care Sys	32¼	0.37	0.64	1.11	73.4	29.1	14	average
US Home	6¾	0.80	–0.45	0.15	NM	45.0	11	very low
US Shoe	26	3.41	2.93	3.90	33.1	6.7	14	low
US Steel	23⅜	–12.07	3.86	5.49	42.2	4.3	13	very low
US Surgical	14⅛	–0.42	1.09	1.40	28.4	10.1	6	low
US Tobacco	35¼	2.42	2.87	3.37	17.4	10.5	13	high
United Stationers	23	0.65	0.99	1.26	27.3	18.3	6	very high
United Technologies	38⅜	3.78	4.32	4.99	15.5	7.7	22	high
United Telecommunications	22	2.61	2.53	2.74	8.3	8.0	20	low
Unitrode	28	1.25	1.66	2.09	25.9	13.4	7	average
Universal Foods	22½	2.91	2.45	2.96	20.8	7.6	7	high
Universal Health Services	11¾	0.70	1.04	1.35	29.8	8.7	6	average
Unocal	38⅜	3.60	4.16	4.61	10.8	8.3	32	high
Upjohn	56	5.28	5.81	6.12	5.3	9.2	30	average
US West	65¼	8.70	8.89	9.54	7.3	6.8	29	very high
USAir Group	27½	3.00	4.37	4.94	13.0	5.6	15	average
USF&G	23⅞	3.02	1.99	1.66	–16.6	14.4	18	very low
Utah Power & Light	23¼	2.39	2.43	2.54	4.5	9.2	13	high
Valero Energy	8⅜	1.57	0.13	0.58	346.2	14.4	6	low
Valid Logic Systems	13⅜	0.08	0.46	0.82	78.3	16.3	13	low
Valley National	27¼	2.72	3.57	4.14	16.0	6.6	13	high
Varian Associates	38	1.97	2.77	3.59	29.6	10.6	19	high
Veeco Instruments	21⅛	1.05	1.53	2.06	34.6	10.3	5	average
VF Corp	23⅞	3.64	3.86	4.20	8.8	5.7	11	average
Viacom Intl	30¼	2.14	2.41	2.90	20.3	10.4	10	average
Vicorp Restaurants	18½	0.85	1.36	1.83	34.6	10.1	6	low
VLSI Technology	11½	–0.47	0.39	0.69	76.9	16.7	7	very low
Vulcan Materials	69	4.69	6.74	8.45	25.4	8.2	8	low
Wachovia	25¾	2.76	3.09	3.45	11.7	7.5	19	high
Wal-Mart Stores	41⅜	1.40	1.92	2.49	29.7	16.6	17	average
Walgreen	40⅝	2.27	2.70	3.21	18.9	12.7	14	very high
Jim Walter	27½	3.02	3.96	4.51	13.9	6.1	14	low
Warnaco	23½	2.80	3.18	3.71	16.7	6.3	10	average
Warner Communications	19⅝	–6.39	–1.80	1.33	NM	14.8	18	very low

a: Actual. NM: Not meaningful.

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How analysts see 1985 earnings

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	P/E	1985 estimate number of analysts	1985 estimate confidence factor
Warner-Lambert	31¼	$2.51	$2.83	$3.18	12.4%	9.8	30	very high
Washington Fed S&L Assn of Seattle	25¼	4.08	4.82	5.03	4.4	5.0	6	high
Washington Post	81	4.82	5.87	6.81	16.0	11.9	12	high
Waste Management	43⅛	2.50	3.04	3.69	21.4	11.7	10	average
Watkins-Johnson	24¾	1.50	1.81	2.22	22.7	11.1	15	high
WD-40	19¼	1.07	1.30	1.51	16.2	12.7	7	high
Del E Webb	19⅜	0.81	1.63	2.07	27.0	9.5	6	low
Wells Fargo	43¼	6.03	6.60	7.45	12.9	5.8	18	high
Wendy's International	18⅜	1.01	1.25	1.48	18.4	12.4	19	high
West Point-Pepperell	37¾	4.95	5.60	5.99	7.0	6.3	11	low
Western Co of North America	7	–0.67	–0.36	0.48	NM	14.6	18	very low
Western Union	19⅝	–2.78	0.74	1.28	73.0	15.3	6	very low
Westinghouse Electric	26¾	2.54	3.01	3.52	16.9	7.6	18	very high
Westmoreland Coal	19¾	1.91	1.90	2.45	28.9	8.1	8	low
Westvaco	38	2.30	4.28	5.30	23.8	7.2	15	low
Weyerhaeuser	28⅜	1.36	2.15	2.89	34.4	9.8	16	very low
Whirlpool	41	4.58	5.49	5.89	7.3	7.0	11	average
White Consolidated Inds	29¾	3.17	3.77	4.50	19.4	6.6	8	average
Whitehall	21⅜	3.05	2.85	3.50	22.8	6.1	5	low
Whittaker	19	2.55	2.95	2.19	–25.8	8.7	8	very low
Willamette Industries	30½	1.46	3.36	4.47	33.0	6.8	11	low
Williams Cos	29	1.79	4.56	4.94	8.3	5.9	14	average
HJ Wilson	12¼	1.13	1.16	1.59	37.1	7.7	7	low
Winnebago Industries	13⅜	0.63	1.18	1.65	39.8	8.1	5	low
Wisconsin Electric Power	32¾	3.97	4.15	4.32	4.1	7.6	21	high
Wisconsin Power & Light	30⅜	3.97	3.93	4.08	3.8	7.5	14	very high
Wisconsin Public Service	32	3.89	4.16	4.24	1.9	7.5	14	high
Witco Chemical	32¾	3.48	4.21	4.79	13.8	6.8	8	high
Wolverine World Wide	13	1.02	1.28	1.67	30.5	7.8	6	low
Woods Petroleum	21⅜	1.15	1.73	2.20	27.2	9.7	14	low

Allis-Chalmers is a company that analysts can't agree on. Per-share estimates for 1985 range from losses of $1 to earnings of $2.

Company	Recent price	Earnings per share 1983	Earnings per share 1984 estimates	Earnings per share 1985 estimates	% change 1985 vs. 1984 estimates	P/E	1985 estimate number of analysts	1985 estimate confidence factor
FW Woolworth	35⅞	3.72	4.46	5.09	14.1	7.0	13	average
WM Wrigley Jr	58½	5.12	5.61	6.21	10.7	9.4	8	very high
Wyle Laboratories	13⅛	1.05	1.81	2.15	18.8	6.1	6	average
Wyman-Gordon	29¾	2.41	2.03	3.09	52.2	9.6	7	low
Xebec	8¾	0.39	1.07	1.54	43.9	5.7	6	low
Xerox	36¾	4.42	4.08	5.14	26.0	7.1	15	low
Xicor	10⅞	–0.84	0.40	0.81	102.5	13.4	8	very low
Xtra	26⅛	1.51	3.24	4.46	37.7	5.9	5	average
Yellow Freight System	31	3.46	3.49	4.14	18.6	7.5	17	average
Zapata	18	2.45	1.42	1.67	17.6	10.8	18	very low
Zayre	46	3.34	3.95	4.62	17.0	10.0	11	average
Zenith Electronics	25⅜	2.26	2.88	3.50	21.5	7.3	6	average

a: Actual. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.

Careers

Edited by William G. Flanagan

Multiple choice question. An M.B.A. is:
a) A cruel hoax on 140,000 students
b) A lifesaver for ailing colleges
c) A cop-out for employers
d) A shortcut to burnout
e) All of the above

The M.B.A. mills

By John A. Byrne

IT IS 9 P.M. Many of the 27 students in the square, windowless classroom at New York's Pace University stare aimlessly ahead. They have been in classroom W611, Business and Its Environment, since 7:15 p.m. Some are yawning. Occasionally, some lapse into sleep. Their Styrofoam coffee cups are empty. They can't wait to get out at 9:55.

Leaning on a small lectern, professor Tom Robinson drones on about corporate social responsibility in South Africa. A 64-year-old former college administrator who started teaching full time four years ago, Robinson sympathizes with his sleepy-eyed students. "They're pretty tired by the time they arrive, and they're totally exhausted when they leave," says the affable teacher.

Welcome to the netherworld of the Master of Business Administration degree. This isn't Harvard, but with more than 5,000 students—three times the number at the famous business school—it is the country's largest M.B.A. mill. And, in many ways, concrete-and-glass Pace tells you more about the M.B.A. phenomenon than ivy-walled Harvard or Stanford ever could *(see box, p. 322).*

Start with the selection process (which many employers say is the only value of the M.B.A.—it's a simplistic screen). Harvard accepts roughly one applicant in five, Stanford one in ten, while Pace welcomes nearly 70% of all those who apply. Cincinnati's Xavier University, the tenth-largest M.B.A. school, says three out of four qualify.

Most of these students are part-timers who go to school at night for up to five years. Indeed, about 70% of the 200,000 M.B.A. hopefuls are part-timers, many holding down full-time jobs during the day. They attend schools such as Pace and Xavier that are not even accredited by the American Assembly of Collegiate Schools of Business. (Only 206 of the 600 schools offering the degree meet the AACSB's minimum academic standards.)

When they are graduated, there are no recruiters at the door. And from their current employers, they are not likely to get a promotion, a raise or even a handshake after five laborious years of study.

Still, the ambitious and hopeful throngs come, with visions of big promotions and heady salaries dancing in their heads. They ignore the humbling statistics. More than 20% of all master's degrees awarded annually—63,000 of 310,000—are M.B.A.s. Only the master's in education, often required for teacher certification, is more popular. During the 1960s an average of 9,600 M.B.A.s a year were granted; today the number is close to seven times that.

Why? Entry-level managers hope it will move them up faster. Secretaries yearn to become executives. Stuck middle managers believe it will keep them from being trampled by younger colleagues who already have had their passports stamped.

The ugly truth is, many would fare better by going for a drink with the boss after work or putting in more time at the office.

The M.B.A. is, without question, the most oversold degree in the history of education. And make no mistake about it, the degree is sold.

Rider College, in New Jersey, touts its five-year B.A./B.S. M.B.A. program as "preparation for leadership in to-

Henry Groskinsky

Pace University, in downtown Manhattan, one day recently at 9 p.m.
Would students do better putting in more time at the office?

morrow's business world." Fordham University claims its degree is "the right step for your career." Pace University boasts it's "the difference between a job and a career."

Insecure young executives, only a few months or years away from the campus and lost for a lesson plan in how to succeed, are easy victims of such hype. Major employers don't buy any of it.

"There has been a great oversell on the value of an M.B.A.," says Robert Mills, a General Electric manager of university relations and professional recruitment. "You see ads that describe the M.B.A. degree as the essential credential. That's a bunch of nonsense. It's criminal what has been foisted on young people today."

GE, like many other corporations, hires M.B.A.s—but one by one, not by the boatload. Of the 2,000 college graduates recruited annually by General Electric, fewer than 50 hold M.B.A.s. About 80% have technical degrees in engineering, chemistry and computer science. "There's no value to the M.B.A. degree," adds Mills.

Yet hundreds of colleges and universities, hit by slumping enrollments, choose not to listen. Their M.B.A. programs are cash cows that feed other departments operating in the red. "Liberal arts schools, having increasing difficulty paying their bills, view this as the way to stay alive," says Charles Hickman, associate director of the American Assembly of Collegiate Schools of Business.

M.B.A. hopefuls are especially desirable as students because they pay their way, one way or another. As many as two-thirds of the 140,000 part-time M.B.A.s have their tuition

Careers

paid in part or in full by their employers. And, since the vast majority of students are also employed full time, they have cash to spare. Result: high tuition fees and little resistance whenever they are raised, which is often. At financially troubled Fairleigh Dickinson University in New Jersey, which has the nation's second-largest unaccredited M.B.A. mill, M.B.A. tuition has risen over 50% just since 1980, to $202 per credit.

Is it any wonder that more than 600 institutions now offer the degree, up from only 390 a decade ago? That total doesn't include a lot of "schools" that are little more than storefronts passing out degrees. Thomas Keller, dean of Duke University's Fuqua School of Business, notes that there are now 43 M.B.A. programs in North Carolina alone. "I didn't know there were 43 higher education institutions in the state," he says incredulously.

The proliferation has caused a shortage of qualified professors with business degrees so acute that even top schools are hiring teachers with degrees in other disciplines. At UCLA's well-regarded Graduate School of Management, for example, one assistant professor who teaches marketing has a Ph.D. in geography. He never took a marketing course in his life.

Let's look at some numbers. Take Michigan State University. Traditionally, students there pay a mere one-third of their educational costs. State aid and other funding cover the rest. But for every dollar in the business school budget, it receives $1.31 in tuition from students.

Dean Richard Lewis is fond of referring to his school as a "revenue producer. It's a little more palatable for academicians," he explains. "It's not nice to call it profit."

A top accredited business school such as Michigan State is without the benefit of cheap, part-time faculty teaching especially lucrative night courses. That would change the economics dramatically.

Other schools are not so fussy. Unaccredited Pace

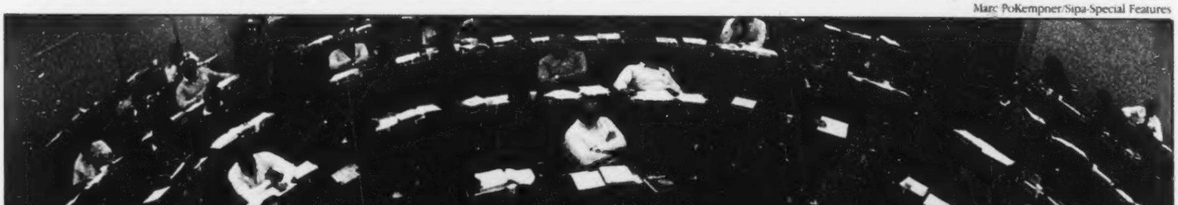
Top ten business schools by enrollment

University	Graduate students full-time	Graduate students part-time	Total '83-'84
Pace (NYC)*	431	4,645	5,076
Fairleigh Dickinson (NJ)*	302	3,797	4,099
NYU (NYC)	940	2,860	3,800
Baruch College (NYC)	371	2,127	2,498
Georgia State (Atlanta)	1,083	1,351	2,434
DePaul (Chicago)	771	1,551	2,322
University of Chicago	1,100	1,048	2,148
Arizona State (Tempe)	596	1,372	1,968
Northwestern (Evanston, Ill.)	850	1,030	1,880
Xavier (Cincinnati)*	120	1,730	1,850

*Lacks accreditation.

Source: American Assembly of Collegiate Schools of Business

Marc PoKempner/Sipa-Special Features



A University of Chicago executive M.B.A. class

Quite another matter when it's on company time.

pays a part-time professor $1,200 to $1,500 to teach a three-credit course. At $202 per credit, that means the school covers the teacher's salary with just two or three students in a class. Pace's average class size is 25, although some lecture halls get as many as 80 students, each paying $202 per credit. That would allow some $48,480 in income from a single three-credit course for a semester.

It's no accident that part-time faculty outnumber full-time professors by nearly 2-to-1 at Pace. Besides receiving lower pay, part-timers are ineligible for tenure and most other teacher benefits.

What about other costs? Even a laggard scraping by with a C in "Quantitative Analysis for Business Decisions" could tell you that the cost of those classroom seats is marginal, since the same classrooms are occupied by undergrads during the day.

With such a major financial stake in M.B.A. mania, educational institutions do little to diminish the myth that the degree is a must to succeed in business. Even the most sober M.B.A. hopefuls, who don't buy that line, queue up in the belief that further education can't possibly cause any harm. But Dean Keller of the Fuqua School disagrees. "Many night students literally become worn out," he says. "Their job performance suffers. They would be better off working smarter during the day rather than trying to get their degrees at night. We hear a lot of employers saying that."

Yet a good part of the blame for the lower productivity of their worker-students lies with the employers themselves, who mindlessly foot the tuition bills. They pay not because they believe the M.B.A. will make their employees better workers. Rather, they foot the bill because it is simply another employee benefit, like dental insurance or sick leave, and they have to keep up with the Joneses.

Some corporations are finally beginning to see the light. New York Telephone, for example, informs employees who request tuition reimbursement that additional educational work does not necessarily mean that they will be either promoted or given a raise.

James Zgodinski, a 30-year-old development technician in SCM Corp.'s research and development division, could have benefited from such a warning. He went nights to Baldwin-Wallace College in Berea, Ohio, graduating with an M.B.A. more than two years ago. "I thought getting a

Briefcase U.

Tony Bonaparte, dean of Pace University's Lubin Schools of Business, doesn't look the part of the average academic. Grenada-born, he wears European-style suits, monogrammed shirts and a silver collar pin.

Nor does he sound typical. "We run the school like a business," he says, "with classes from 7 in the morning until after 10 at night, seven days a week. Whatever suits the customer we provide."

And that's precisely why Pace, once a tiny accounting school for night students, is the nation's largest business school, with a graduate enrollment of over 5,000. Bonaparte took over as dean in 1974, when enrollment was only two-fifths of the current total.

Pace isn't as innovative a marketer as nearby Adelphi, a university that offers M.B.A. classes on commuter trains and rents out space in libraries to run Saturday sessions. Nor is it often cited as an example of a first-rate business school, like Columbia University. But what it lacks in innovation and reputation it makes up in volume merchandising.

Above all, Pace is convenient. Its huge concrete building in downtown Manhattan, a short stroll from Wall Street, assures a steady stream of upwardly mobile professionals and secretaries. There's another center in midtown, as well as suburban locations in White Plains and Pleasantville, N.Y.

Pace's class schedule makes it an ideal briefcase college. Students can attend class on their way to work in the mornings, during lunch or on their way home at night. If students let the deadline for registration slip by, not to worry. Pace offers a slew of "late-start" classes that begin two weeks late. One particularly grueling four-credit late course, "Financial and Managerial Accounting," is an exhausting 4 hours and 10 minutes long on Friday nights. "We take station breaks and commercials on those," says Associate Dean Leon Selig. Pace, in fact, recently lengthened its regular classes to 2 hours and 40 minutes so that it could squeeze in a fifth semester.

Pace also says its prices are fair at $202 a credit, a bargain-hunter's eyelash below nearby New York University's and Fordham's. And it is liberal when it comes to accepting credits from undergraduate colleges and universities. Pace will waive more than one-third of the 61 credits required for the M.B.A. This can cut over 1½ years off a part-time program.

Henry Groskinsky

Pace's doors are closed to few

Just a short stroll from Wall Street.

Dean Bonaparte stresses the educational benefits of getting an M.B.A. at night versus the full-time, two-year program at Columbia. "Our evening students are more mature," he says. "They come with questions about the real world."

Maybe. Some, however, view Pace's unaccredited program as less than demanding. "You'd have a better feel for the business world if you regularly read FORBES, *Business Week, Fortune, Barron's* and the *Wall Street Journal* rather than take classes at Pace," says Leo Egan, a marketing manager for Greyhound Leasing & Financial Corp. who expects to graduate from Pace's business school in May 1985.

So why is he there? Apparently not for practical learning. "I don't want to ever be held back because I don't have the degree. Having the motivation to go to night school and slug it out may say more than the degree itself, anyway."—**J.A.B.**

Careers

business degree would further my chances of moving up into middle or upper management," he says. "That hasn't happened yet. I'm not utilizing one-third of my skills." In more than two years since getting his M.B.A., Zgodinski has not had a promotion.

Regina Smith, a 26-year-old labor relations specialist for Alabama Power, has had little joy from the M.B.A. she earned at Samford University (not Stanford, mind you) in Alabama about a year and a half ago. She thought the degree would get her a promotion or at least additional responsibilities. "It was wishful thinking on my part," she says.

Some M.B.A. students point to want ads calling for "M.B.A.s only" to justify their nightly ordeal. But a little checking could be in order here. A few weeks back, for example, Julien J. Studley, Inc., a fast-growing New York-based commercial real estate firm, ran newspaper want ads stating that only M.B.A.s need apply. Julien Studley, a self-made man who never finished high school, is the first to tell you an M.B.A. isn't required for the job. So why does he ask for one? Simply as a screen. "If someone writes me and says, 'I don't have an M.B.A., but would be terrific for you,' that really sets off a light. I'll probably want to talk to him."

So what's an ambitious, bright employee to do? Remember, first, that promotions are earned on the basis of performance, not credentials. Moreover, with the M.B.A. already debased, "an undergraduate business degree from a top university is better than an M.B.A. in some businesses, such as banking," says John Rosenblum, dean of the University of Virginia's graduate business school.

For those with an unimpressive bachelor's degree looking for a second chance, there's another option—pursuing an advanced degree in a rigorous academic discipline such as economics, engineering or the sciences. "These degrees require the same kind of analytic, critical and intellectual skills used in making business decisions," says Judy Hoy of the American Management Associations.

If most M.B.A.s are doomed to disappointment, their employers still have plenty of ways to show who is on the fast track. Those truly anointed by an employer are often picked to enroll in executive M.B.A. programs, given time off to attend classes and given strong hopes for promotion upon course completion.

"Most of them are here because their companies want them to be here," says Walter Fackler, director of the University of Chicago's much-

The mills and the grinds

It looks like any other trade show—complete with colorful banners, glossy brochures, giveaways and hard and soft sells. But the wares on display at an M.B.A. Forum in Washington, D.C.'s Marriott are graduate business school programs, not widgets. It is the first of five such two-day events this fall sponsored by the Graduate Management Admission Council, a trade association for business schools.

Some schools waste little time making an intellectual case for their programs. "Most students look at an M.B.A. as a career-aid measured in dollars, another ticket to the next $2,000 or $5,000 raise," says Denis Worley, a professor recruiting for tiny Mary Washington College in Virginia. "I don't low-rate the idea of individuals looking for the bucks."

This year about 175 business schools will pay from $240 to $450 per forum to participate in events in New York, Chicago, Los Angeles, Boston and Washington. Prestigious business schools like Dartmouth, the University of Chicago and Columbia stake out territory alongside lesser-knowns like George Mason University and Atlanta University in search of customers.

Acey Harper

Prospects at an M.B.A. Forum
Like any other trade show.

The Loyola College recruiter will tell you no work experience is necessary, no cutoff score—everyone is considered. Just pick up an application, fill out both sides, include a résumé and mail with the $25 nonrefundable check. (Compare that with Harvard's ten-page, seven-essay application.)

What do students really expect from the programs? Here are some comments from part-timers at Pace and full-timers at Columbia.

Pace students:

"I'm a secretary, and I'm stuck. I am doing this to get out of the secretarial pool and to get into marketing or general management."—Lynda Forbes, 31, secretary, AT&T Communications.

"It's pretty much to keep up with the Joneses today. A lot of positions seem to require the M.B.A. degree."—Alfred Drouin, 28, senior financial analyst, Loral International, Inc.

"I have a liberal arts degree, so I'm going because there's a tremendous gap in my business background. Down the road, I feel the M.B.A. is going to be a requirement."—Michael Kerrigan, 27, program system analyst, Shearson Lehman/American Express.

Columbia students:

"Last week George Ball [CEO of Pru-Bache] came to speak. At work he would sometimes stand next to me but he would never talk to me. At this presentation he was trying to sell to me, rather than vice versa."—Alan Schapiro, 25, former marketing representative at Prudential-Bache.

"I naively thought, 'If you work hard, you will get promoted.' I was a secretary in the executive suite at McGraw-Hill, and I was typecast. I don't ever have to apologize from here on."—Laura Boland, 37, former administrative assistant to CFO of McGraw-Hill.

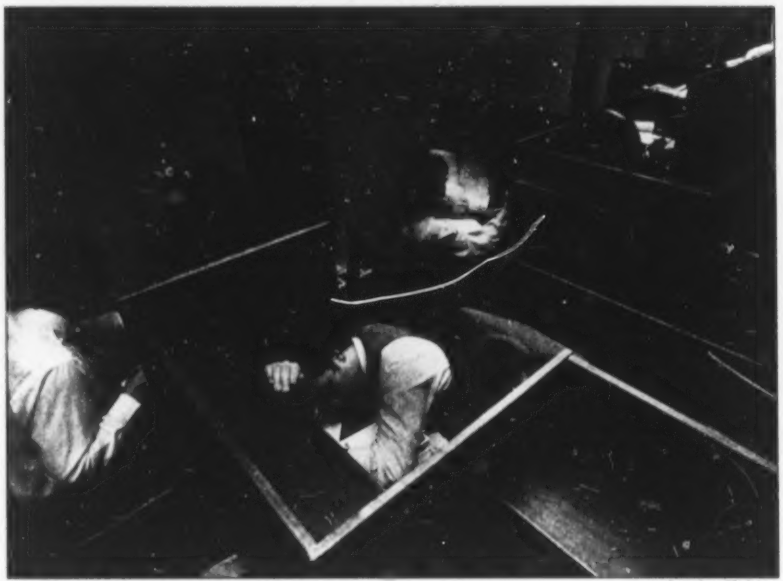
"In New York there are so many M.B.A.s on the market that the degree no longer gives you a competitive edge. It is needed to be equal. The difference is who will recruit at your school."—Karen Siegler, 25, former staff accountant at Price Waterhouse.—**Matthew Schifrin**

touted executive M.B.A. program, the oldest in the nation.

(But even executive M.B.A. programs have become so popular—"They've been popping up like crazy because they're so profitable," says Fackler—that many of them now lack credibility.)

So the next time Harvard touts the $40,000 salaries (to start) of its recent business school grads, remember that the top business schools have natural selection working for them. Their grads would doubtless have succeeded with or without business school. The Harvard M.B.A.s recently found to represent 20% of the top executive corps of the nation's 500 largest firms are there because they are highly talented and skilled achievers, not simply because of their M.B.A.s.

And bear in mind that, for all the CEOs the business school can point to—from Thornton Bradshaw of RCA to Philip Caldwell of Ford—there are others who have had a fall from grace. Remember William Agee?



Anthony Suau/Black Star

Pace M.B.A. student napping in the library
A hard day's night, for years.

Personal Affairs

Good news, bad news jokes are passé. But someone forgot to tell the IRS. This year's tax changes both giveth and taketh away.

A final accounting

By William G. Flanagan

At least three meaty changes in the tax law go into effect this year, which amounts to good news for taxpayers.

One change has to do with capital gains. The holding period for gains and losses, as of June 22, 1984, is more than six months, instead of more than one year. So stocks bought on or after June 22 require special scrutiny.

If you have gainers bought in the last few days of June, they will be eligible for capital gains tax treatment (maximum 20%) this year.

More important, however, is how the shorter holding period affects any losses you may have on securities purchased after June 22. As far as the taxman is concerned, remember, short-term losses are worth twice as much as long-term losses. You can deduct short-term losses dollar-for-dollar, but long-term losses get you only 50 cents' worth of deduction for every dollar lost. The maximum amount you can deduct in securities losses, net of gains, for a given year is still the same, however—$3,000. Any more than that has to be carried into the following year or years. Moral: If you have losers in your portfolio bought after June 22, you might consider selling before year-end, i.e., before they mature into long-term losses.

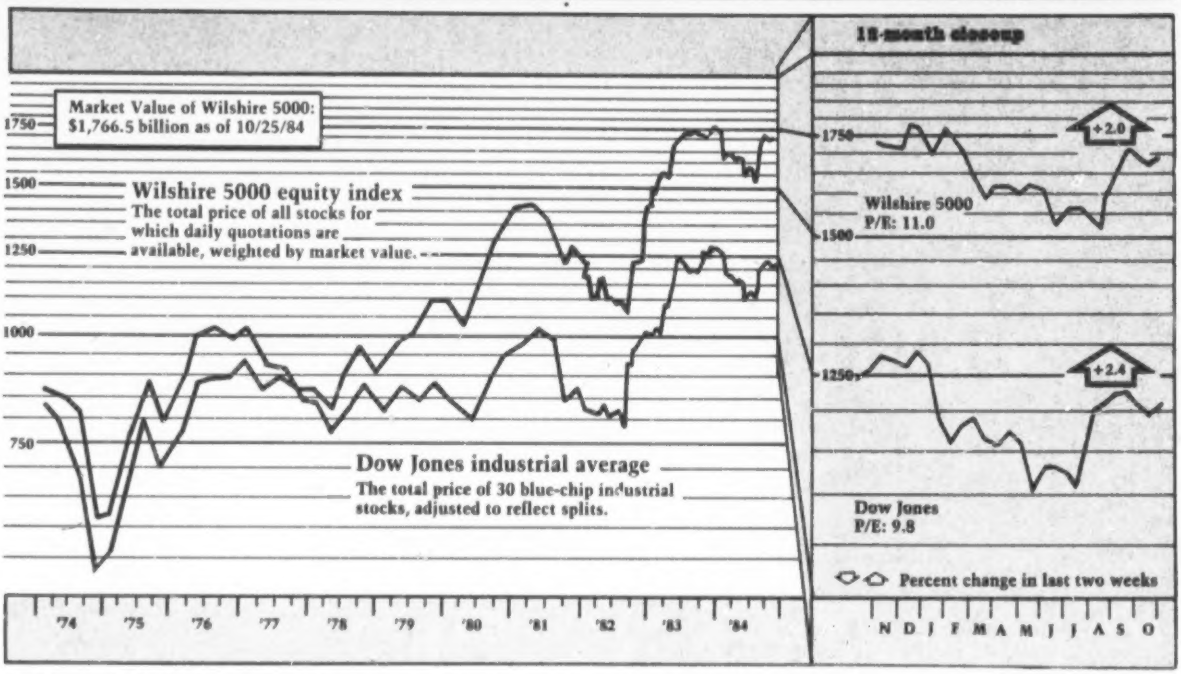
Regardless of when you bought securities, it's always a good idea to prune your portfolio at year-end with tax consequences in mind. And note that this year the IRS once and for all has effectively closed the loophole on straddles as a means of deferring income, whether the vehicle is commodities or options.

A second big change has to do with Keogh contributions. If you are self-employed or receive any self-employment income (from consulting, freelancing or in directors' fees, for example), the news is good indeed.

As of this year, the maximum you can stuff into a defined contribution Keogh has been upped to 20% of net self-employment income or $30,000. (So, if you net, say, $150,000 a year, you can now put $30,000 aside. Formerly, the limits were 15% of net earned income or $15,000.)

If you have a defined benefit plan—i.e., one wherein the amount received each year upon retirement is fixed—the rules are also different. This gets very tricky, but basically the IRS is limiting the Keogh deduction each year to an amount that will provide a maximum of $90,000 a year upon retirement. Your age now and at retirement have to be factored in. But for some successful self-employeds, the defined benefit Keogh plan is a dream. Example: According to Nancy Wein-

The Forbes/Wilshire 5000 Review



Problems with the oil gauge. The market creaked upward during the most recent two-week period, but the move came with considerable difficulty. Although the Dow industrials jumped nearly 30 points in one trading session, this momentum was not sustainable. A new round of crude oil price cuts and erratic third-quarter results for major oil firms prompted heavy selling of energy shares. The weak energy sector hurt the broad averages.

Over the last ten trading days, the 30-stock Dow industrials showed the best performance, with a 2.4% rise. The NYSE was up 2.1%, and NASDAQ issues posted a 1.7% increase. But Amex-listed shares eked out only a 0.1% gain. For the four-week stretch, all major indicators lost ground. The Amex was hit the hardest and suffered a 2.1% decline, while losses of 0.5% or less were recorded by the other market barometers.

Wall Street's inertia can't all be blamed on the problems in the oil patch. In other times a falling prime rate, moderating economy and relatively low levels of inflation were often just what was needed to put investors into a buying mood. But the rate that 1985 earnings estimates are being cut *(see page 84)* and the still unanswered questions over the budget deficit are keeping a lot of today's money on the sidelines.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–0.4	–0.1	–0.5	–0.3	–2.1	–0.5
in last 52 weeks	–1.4	1.1	–2.5	0.9	–1.5	–10.3

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	0.3	–2.0	–2.4	2.6	–2.7	1.6	1.9	–3.1	–4.4	1.6	0.5	–5.2
in last 52 weeks	0.4	–2.5	–8.6	11.8	–14.2	10.8	6.8	–6.8	–7.2	9.5	5.1	–13.3

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

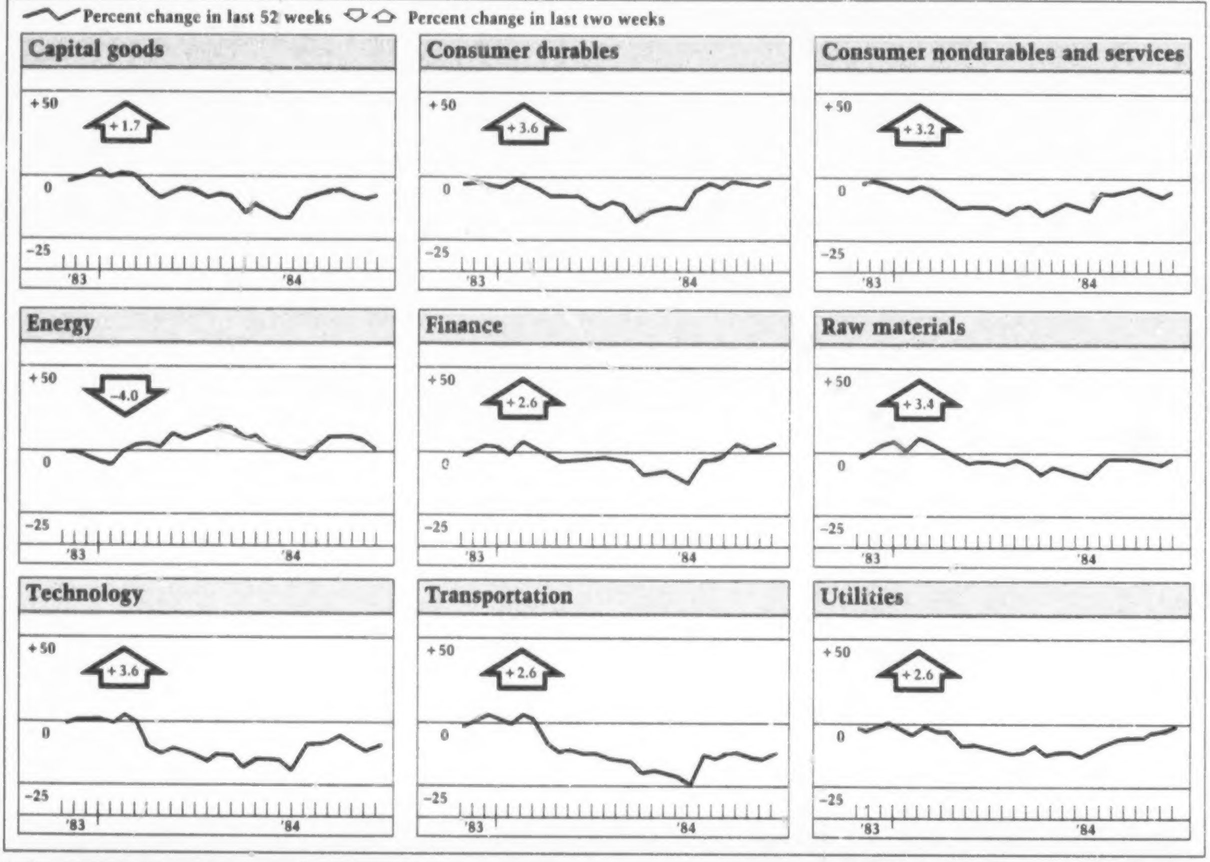
Note: All data for periods ending 10/25/84. Prepared by Wilshire Associates, Santa Monica, Calif.

Shelley Dell

Where The Action Is

Why the market didn't do better. Of the eight sectors that registered increases over the last two weeks, only capital goods and services underperformed the Wilshire index. Technology and consumer durable shares rose 3.6%, while consumer nondurables and raw materials posted similar increases. Close by were transportation, utility and finance shares, all up 2.6%. That's the good news.

The bad news is that the last sector, energy, with a 4% decline, brought down the broad market indicators. The drop in oil shares came in response to a lowering of crude prices by producers. This will not help already highly leveraged drilling, exploration and service companies. Disappointing third-quarter earnings of several major oil firms only fueled the selling spree.



What The Analysts Think

Sinking estimates in a rising market. During the last two weeks the Forbes 500s rose 2.3%. But analysts kept revising earnings estimates. For the 500-stock group, the average per-share 1984 and 1985 earnings estimates are down slightly. Higher share prices, however, raised the estimated P/Es for 1984 to 9.5, and for 1985 to 7.6.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.08	11.3
1984 estimates	3.91	9.5
1985 estimates	4.58	7.6

Rank based on change in estimate	Sector	Estimated 1984 EPS	% change in 1984 estimate in 2 weeks	in 4 weeks
1	Consumer durables	$3.44	0.01%	–1.58%
2	Utilities	3.54	–0.07	0.07
3	Consumer non-durables	2.63	–0.36	–1.64
4	Finance	3.35	–0.38	–0.76
5	Transportation	2.54	–0.39	–1.00
6	Capital goods	2.53	–0.45	–0.41
7	Technology	2.13	–0.45	–1.98
8	Energy	2.62	–0.66	–1.93
9	Raw materials	2.62	–0.98	–1.94

Earnings projections are equal-weighted consensus estimates from over 1,800 security analysts. Forecasts for the 9 Wilshire sectors are limited to firms with 3 or more estimates, with a mean estimate greater than $0.50. Data are compiled and updated weekly by Zacks Investment Research, a Chicago-based quantitative consulting firm.

Note: All data for periods ending 10/25/84. Prepared by Wilshire Associates, Santa Monica, Calif., Zacks Investment Research, Inc., Chicago, Ill.

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DECEMBER 3, 1984

Forbes

CAREERS

HOW TO GET THAT FIRST JOB AFTER GRADUATION

WEST GERMAN CHANCELLOR HELMUT KOHL

EUROPE'S ECONOMIC POWER AT 'THE TURNING POINT'

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December 3, 1984 Volume 134 Number 13 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $39 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1984 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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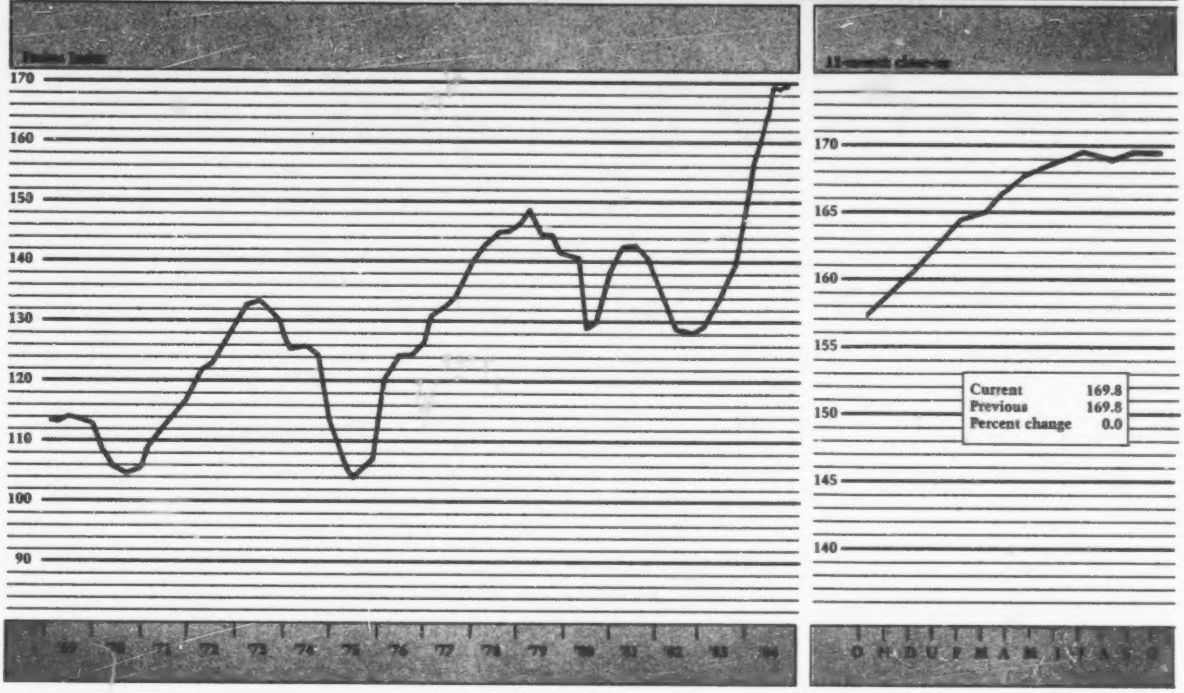
Cover photo by: Regis Bossu/Sygma

The Forbes Index



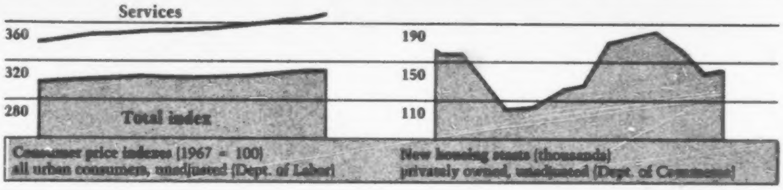
Holding pattern. The Forbes Index remained virtually unchanged during the latest reporting period. The October figure for new unemployment claims shot up 8% during the month of September. This is a fairly large jump, but the latest figure is within 0.2% of where it was in October of 1983. In addition, the recent rise in claims by those who just lost their jobs had a negligible effect on the Forbes Index, which computes changes in new unemployment claims over a six-month stretch.

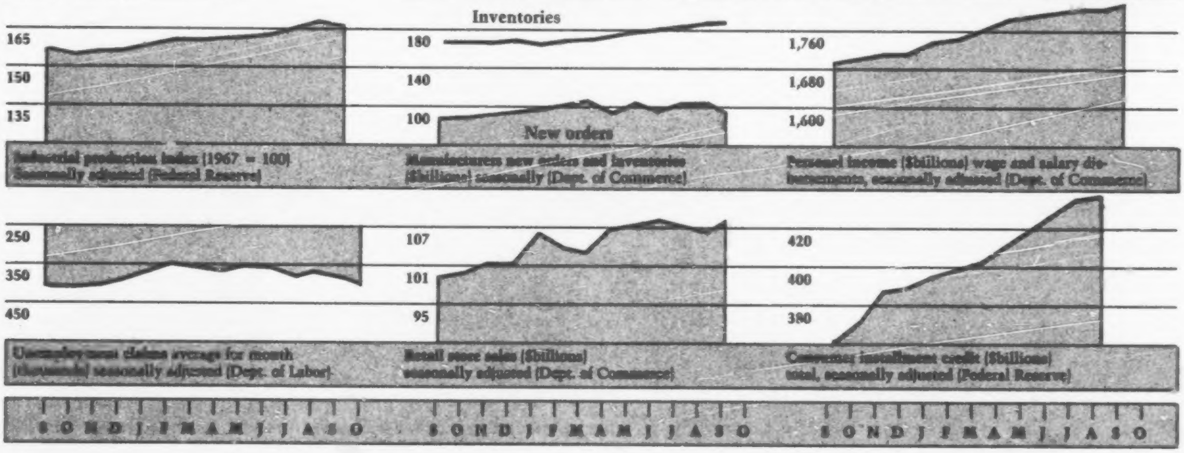
Only one other Index component was updated in this reporting period. The most recent figure for manufacturers' inventories shows an 0.8% increase over the previous month and stands some 10.8% higher than it was during the same time last year.

The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.





Statistical Spotlight

Sometimes one investor's tax loss can be another investor's gain. It's that time of year again.

Shopping at home

By Leslie Pittel

IF RUMMAGING IN A crowded department store isn't your idea of a good time, shop this list of potentially undervalued stocks. At year-end many investors try to offset capital gains by selling stocks to establish tax losses. What to dump? Often the best candidates are firms whose share prices have made a recent fall. But this selling pressure can create opportunities.

All the stocks below are tax-loss selling candidates. They now trade for less than half the prices they commanded at the beginning of the year. What's more, all of these firms are near their 52-week lows.

Cheap isn't always a bargain, of course. So each company on this list has positive earnings over the latest 12 months. Debt is also no more than 51% of equity.

On our shopping list, the highest P/E is 14.9, but 17 of the shares sell at less than the market multiple of 11. Even the priciest stocks sell at less than two times book value.

During the last weeks of the year, pay attention to these stocks. If prices fall, they could become unusually attractive. But know why a stock's price is down before you invest. The real bargains go to smart shoppers. ■

Holiday sale?

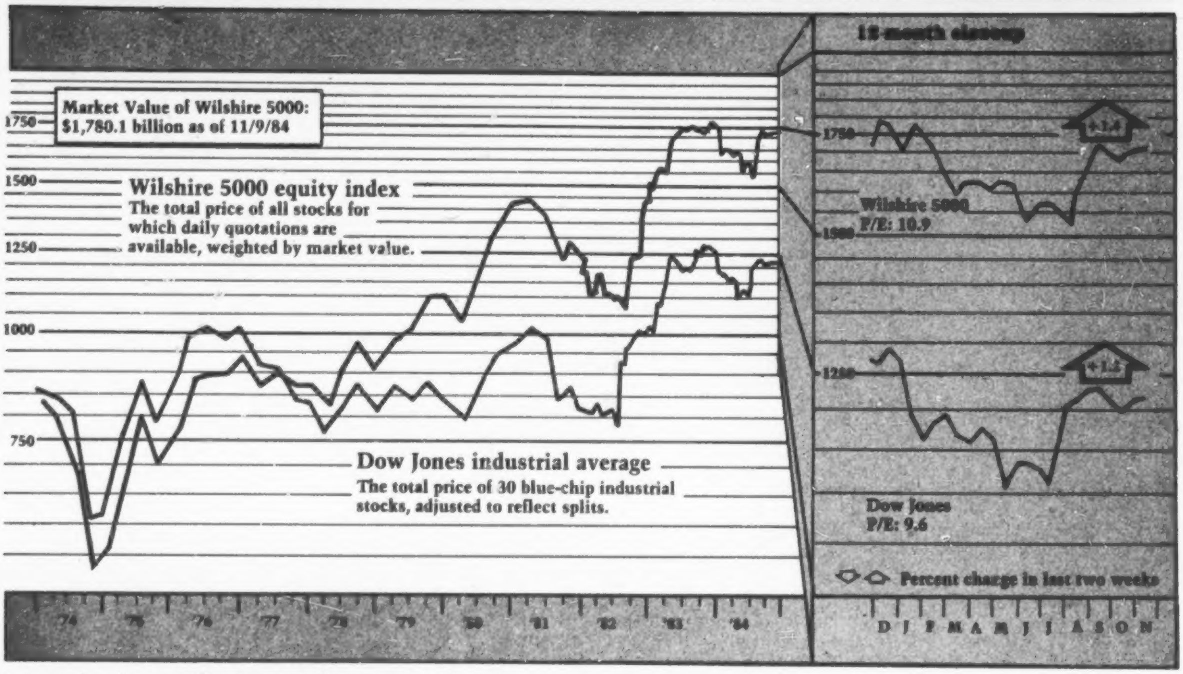
Share prices of these 25 companies have fallen sharply this year. This makes them prime candidates for tax-loss selling. If stock prices fall even further, some of these might be good buys.

		Price	Price	% change in price from	Latest 12 months	Latest 12 months				Return
Exch	Company	recent	52-week high – low	12/30/83	EPS	P/E	Yield	Price/ book	Debt/ equity	on equity
n	Omnicare	7	34 – 6⅝	–76%	$1.75	4.0	13.1%	0.9	31.5%	22.9%
o	Interface Flooring Systems	7	29½– 6½	–76	0.84	8.3	2.3	1.5	8.1	17.5
o	Lee Data	6½	22 – 6	–64	1.15	5.7	—	1.1	1.0	18.7
a	TIE/communications	9¾	31⅞– 8	–64	0.85	11.5	—	1.3	7.5	11.3
o	Culp	5¾	16 – 5	–63	0.77	7.5	1.4	0.6	26.6	8.5
o	Key Tronic	8¾	24¼– 8¾	–62	1.26	6.9	—	1.3	12.9	18.2
o	Seagate Technology	5⅛	17⅞– 4⅝	–62	0.84	6.3	—	1.5	5.9	24.2
o	DST Systems	11	32 –11	–62	0.97	11.3	1.8	1.7	0.5	15.2
o	Distributed Logic	5¼	14 – 4¼	–62	0.69	7.6	—	1.7	0.4	22.8
o	Tandon	7⅜	25⅛– 6⅜	–61	0.62	12.5	—	1.6	0.0	13.0
o	Sorg Printing	9½	24½– 6½	–61	1.64	5.8	—	1.4	18.9	24.7
o	Cordis	8¾	27½– 7⅛	–59	1.44	6.1	—	1.2	50.7	19.0
n	GenRad	16	40 –13⅞	–57	1.31	12.2	0.6	1.4	4.9	11.6
o	Technology for Commun Intl	8	19½– 7¾	–57	0.64	12.5	—	1.4	5.3	11.1
o	Evans & Sutherland Computer	13¼	37¼–12¾	–56	1.17	11.3	—	1.8	7.5	15.6
o	Cosmo Communications	6½	20¾– 4¾	–56	1.03	6.2	—	0.9	2.4	14.9
n	Purolator Courier	27⅜	69⅞–23⅞	–56	2.60	10.5	4.5	1.0	18.0	9.2
o	St Jude Medical	8½	19¼– 8⅛	–56	1.05	8.1	—	1.2	0.0	14.4
o	SFE Technologies	9	22¼– 8⅛	–55	0.73	12.3	1.1	1.2	34.9	9.5
o	Auto-trol Technology	10	25¼– 9⅝	–55	0.67	14.9	—	1.4	14.8	9.1
o	Xebec	8	23¾– 7½	–55	0.79	10.1	—	1.3	3.9	12.9
o	National Data	9⅛	21¾– 8¼	–54	0.89	10.3	4.8	1.6	6.5	15.5
n	General Nutrition	6⅛	16 – 5⅛	–53	0.57	10.7	2.6	1.8	11.3	16.3
o	NIKE B	7⅛	18⅝– 6⅛	–51	1.07	6.7	5.6	1.0	3.4	14.8
n	Floating Point Systems	17¾	36⅞–12½	–51	1.73	10.3	—	1.8	3.1	17.9

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Sources: Wilshire Associates; Standard & Poor's Stockpak II System; FORBES

The Forbes/Wilshire 5000 Review



Is it real or just an illusion? Wall Street finished the most recent two-week and four-week stretches in the plus column. But a wave of selling toward the end of this reporting period eroded many of the gains made just a few weeks earlier. The Wilshire index, for example, shows a 1.9% increase for the last 20 trading days, but only a 1.4% gain for the last 10 trading days. In fact, the Amex composite is the only major indicator that shows better performance during the last two weeks than the first two weeks. Once again, the 1250 region of the Dow continues to be a formidable barrier.

With falling earnings estimates, some disappointment in corporate third-quarter results and unresolved questions about fiscal and tax policy during the next Administration, many investors seem content to watch from the sidelines. The Wilshire index sells at 10.9 times latest 12-month earnings. This P/E is considerably lower than the 14.9 multiple recorded in June 1983, but it is also much higher than the Wilshire P/E of under 7 that prevailed shortly before the August 1982 rally. Two summers ago, however, the market was anticipating a strong economic recovery. With mild growth, at best, expected through next year, the average stock does not appear to be sharply undervalued today.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.9	2.8	2.4	2.0	0.1	1.4
in last 52 weeks	–1.3	1.9	–2.5	0.9	–3.1	–10.0

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	2.9	0.7	–0.4	2.2	–1.2	2.3	2.9	–1.8	–2.0	3.0	2.9	–1.0
in last 52 weeks	0.6	–1.4	–7.6	12.0	–14.1	11.7	8.9	–7.5	–6.8	10.8	5.6	–11.3

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

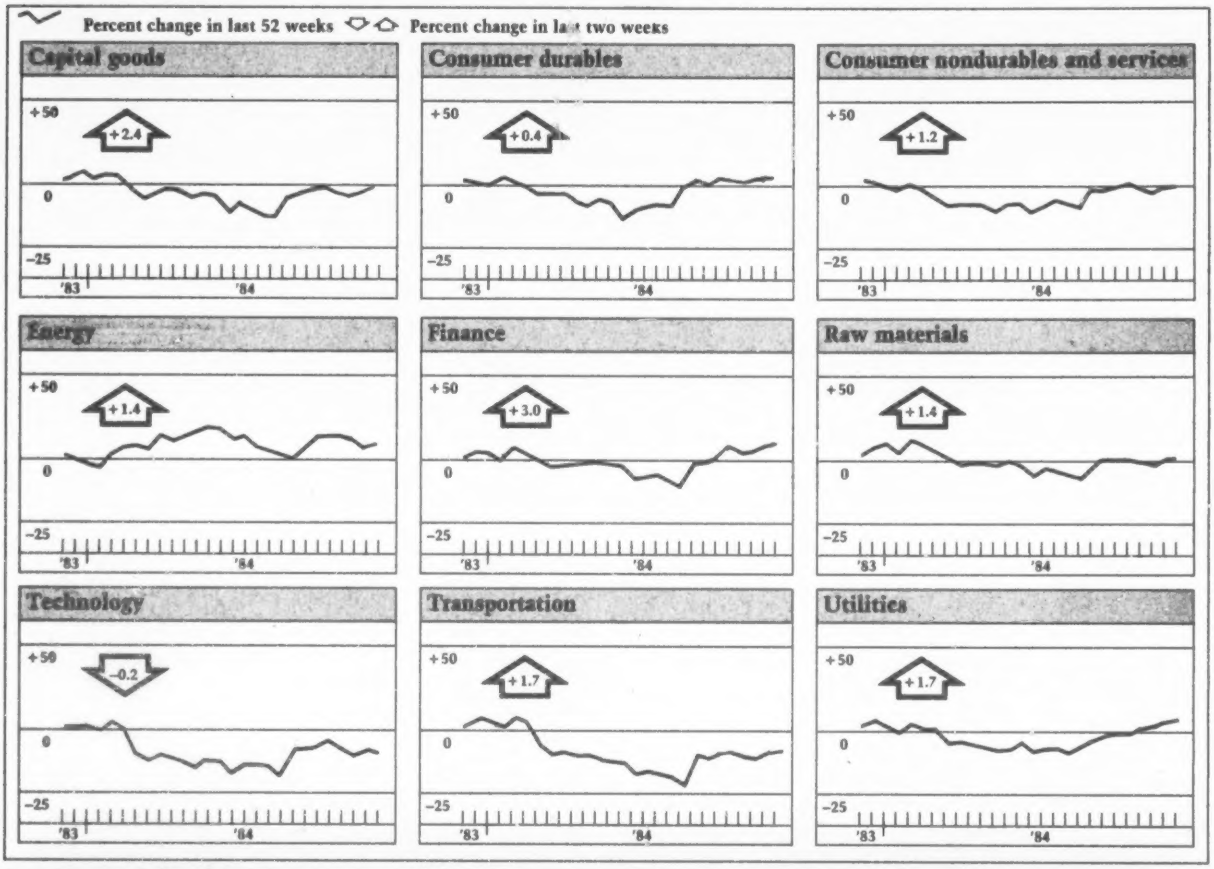
Note: All data for periods ending 11/9/84. Prepared by Wilshire Associates, Santa Monica, Calif.

Shelley Dell

Where The Action Is

Rethinking cheaper oil prices. After dropping sharply in October, the energy sector made a modest recovery during the most recent two-week period. With a 1.4% gain during this stretch, the oils were the only group to post better 10-day than 20-day performance. Energy shares also helped the Amex composite rebound from its weak showing in late October.

Finance shares, meanwhile, scored the best two-week gain with a 3% rise. Capital goods followed with a 2.4% increase. And transportation and utility stocks tied for third place with a 1.7% gain. Three groups underperformed the Wilshire index over the last two weeks: consumer nondurables, consumer durables and technology. But only the last sector, technology, lost ground.



What The Analysts Think

An early reaction to cheaper energy. The posted price of crude dropped, but during the last two weeks analysts increased 1984 earnings forecasts for the energy sector by a few pennies. The remaining eight Wilshire groups, meanwhile, all show lower 1984 forecasts. Technology shares carry the largest downward reductions.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.11	11.0
1984 estimates	3.86	9.6
1985 estimates	4.55	7.6

Rank based on change in estimate	Sector	Estimated 1984 EPS	% change in 1984 estimate in 2 weeks	in 4 weeks
1	Energy	2.63	0.80%	–1.50%
2	Utilities	3.54	–0.22	–0.27
3	Consumer non-durables	2.61	–0.48	–1.70
4	Finance	3.31	–0.63	–0.86
5	Transportation	2.51	–0.82	–1.64
6	Capital goods	2.60	–0.94	–1.34
7	Consumer durables	3.40	–1.30	–1.32
8	Raw materials	2.59	–1.42	–1.94
9	Technology	2.10	–1.51	–1.84

Earnings projections are equal-weighted consensus estimates from over 1,800 security analysts. Forecasts for the 9 Wilshire sectors are limited to firms with 3 or more estimates, with a mean estimate greater than $0.50. Data are compiled and updated weekly by Zacks Investment Research, a Chicago-based quantitative consulting firm.

Note: All data for periods ending 11/9/84. Prepared by Wilshire Associates, Santa Monica, Calif.; Zacks Investment Research, Inc., Chicago, Ill.

Shelley Dell

Statistical Spotlight

When is a stock cheap? Price/sales ratios are one way to measure, but using this technique turns out to be more complicated than its inventor thought.

PSRs revisited

By Steve Kichen

KENNETH FISHER, investment adviser and FORBES columnist, has made his name by popularizing price/sales ratios as an alternative to price/earnings ratios. Where P/E relates market price to earnings, PSR relates market price to sales. A company with a market value of $1 billion and sales of $2 billion is said to have a PSR of 0.5.

According to Fisher's research, stocks with low PSRs tend to outperform those with high PSRs. This is so because, if a company has a low PSR, even a slight improvement in margins can produce a big gain in earnings. On the other hand, firms with high PSRs are vulnerable.

Out of painful experience, Fisher has refined his ideas. The pain came

Low debt helps these companies

Not all these 30 firms started out as low-PSR bargains. But after adjusting for their strong current ratios and low debt levels, PSRs dropped sharply—making these shares much more attractive.

	Stock price		PSR		Latest 12 months					
	recent	52-week high low	regular	debt-adjusted	EPS	P/E	Current ratio	Cash flow/debt	Debt/equity	Book value
Springs Industries	31⅛	40¾–30½	0.31	0.18	$4.59	6.8	3.93	2.00	11%	$47.60
INTERCO	57½	70 –55	0.33	0.20	7.15	8.0	3.98	0.80	21	71.20
Bassett Furniture Inds	32¼	54¾–30	0.81	0.22	3.84	8.4	11.29	31.60	1	24.00
Skyline	16¾	19⅛–12¼	0.49	0.22	0.70	23.9	5.56	0	0	10.70
Earle M Jorgensen	24½	30⅜–24¼	0.68	0.30	1.60	15.3	5.96	0.70	15	25.70
Tecumseh Products	90	97 –78½	0.59	0.35	11.49	7.8	3.65	0	0	72.90
Thomas Industries	18	18⅛–13⅝	0.62	0.36	1.64	11.0	4.18	0.70	18	11.70
VF Corp	24⅜	34⅞–21¾	0.70	0.40	3.84	6.3	4.12	10.40	11	12.70
Standard Brands Paint	18⅞	23¾–16½	0.70	0.41	1.78	10.6	3.49	1.70	8	12.70
Greif Brothers	21	23¼–18½*	1.00	0.42	1.68	12.5	6.26	9.10	2	13.70
Angelica	19¾	27½–16¼	0.82	0.44	1.67	11.8	5.02	0.80	30	10.20
Stewart-Warner	32⅝	36 –25⅝	0.80	0.44	1.37	23.8	4.19	22.20	0	26.00
Avnet	31⅛	49⅜–27	0.94	0.52	2.44	12.8	4.23	3.00	20	15.00
Tandy Corp	24⅛	44 –23⅜	1.01	0.55	2.75	8.8	4.42	2.40	12	10.80
Pic'n'Save	19⅛	25¼–14⅜	2.73	0.62	1.25	15.3	14.29	21.00	1	4.40
Lance	28½	31 –24	1.14	0.62	2.49	11.4	4.27	25.60	1	11.40
Medtronic	27⅝	47¼–24½	1.02	0.62	3.58	7.7	3.70	6.10	4	21.80
Wyman-Gordon	28½	36¾–25¼	1.43	0.68	2.22	12.8	5.26	3.30	7	16.70
Brush Wellman	34⅞	39¾–25½	1.29	0.71	1.86	18.8	4.45	1.20	18	9.54
Consolidated Papers	68½	71 –50¼	1.29	0.77	6.11	11.2	3.61	6.80	4	33.30
Bassett-Walker	28⅞	29 –17¼	1.31	0.78	2.80	10.3	3.42	28.10	1	12.20
Paradyne	13¾	19⅞–10¼	1.53	0.79	0.19	72.4	4.90	0.40	15	8.90
Digital Equipment	104½	105⅜–64	1.39	0.85	5.73	18.2	3.48	4.00	21	62.00
Premier Industrial	31¼	37⅜–25¼	1.65	0.89	1.95	16.0	4.30	144.50	0	9.10
Tandem Computers	18¾	40¼–13	1.88	0.98	0.73	25.7	4.61	5.40	8	7.70
Augat	22⅞	44⅝–22	2.08	1.10	1.65	13.9	4.48	3.00	5	9.60
Intl Flavors & Fragrances	27⅜	33½–22⅞	2.11	1.21	1.88	14.6	3.88	0	0	9.40
Pacific Lumber	25	29 –20½	2.50	1.27	1.69	14.8	4.82	5.10	4	9.10
Service Corp Intl	43⅝	47⅝–30⅝	2.18	1.34	2.83	15.4	4.01	1.10	29	19.90
Teradyne	25⅜	39⅜–21¼	2.31	1.47	1.57	16.2	3.42	1.10	16	8.00

*Price range for 1984 only.

Source: Disclosure II via Micro/Scan Data on diskette from Isys Corp.

from companies like Charter Co. and International Harvester, which score well on his conventional lists. IH, for example, has had a low PSR for years. But its stock has gone nowhere.

In reality, IH hasn't been a bargain—even though it looks that way on a pure PSR basis. The problem is debt, which the firm has to the tune of $1.4 billion. Count the debt, as Fisher now tries to do, and its PSR becomes 12.65, not 0.10. Hardly a strong buy.

The lesson was plain: To be a true low-PSR value, a company has to be financially solid. A good company, Fisher reasoned, ought to have current assets at least double current liabilities. Also, total equity should be at least half of total assets. He developed a system of debt-adjusted PSRs that includes these calculations.*

The table on page 273 includes 30 stocks with balance sheets strong enough to make their debt-adjusted PSRs significantly lower than their unadjusted PSRs. Most of the firms at the top of this list carry relatively low PSRs before adjustment. But after factoring in their low debt levels and high current ratios, these firms look even more attractive. The PSR on Springs Industries, for example, drops from 0.31 to 0.18. Pacific Lumber, toward the bottom of this list, still has a fairly high PSR of 1.27 after adjustment. But its adjusted PSR is almost half the unadjusted figure.

In the table below there are 30 stocks with PSRs that are sharply higher after being run through the debt-adjustment procedure. At the top of the list is Tele-Communications, the nation's largest cable-TV operator. This highly leveraged firm has an unadjusted PSR of 2.64, already quite high. But after adjustment the PSR moves to 83.88.

Note, too, that eight airlines show up in this group. These air carriers no longer look nearly as tempting after their heavy capital burdens are factored into their PSRs.

Fisher's model company has a debt-adjustment factor (DAF) of 1. Healthier firms show a higher figure. If the DAF is less than 1, it's cubed; this penalizes weak firms. In mathematical terms:

DAF = equity/assets + current ratio/4

Debt-adjusted PSR = PSR/DAF

High debt hurts these companies

At first glance most of these issues sell at temptingly low PSRs. But if you factor in the weakness in their balance sheets, the PSRs on many of these shares signal "sell" rather than "buy."

	Stock price		PSR		Latest 12 months			Cash		
	recent	52-week high low	regular	debt-adjusted	EPS	P/E	Current ratio	flow/ debt	Debt/ equity	Book value
Tele-Communications	21⅛	22½–15½	2.64	83.88	$0.31	68.1	0.48	0.10	348%	$–2.28
MGM Grand Hotels	12	13⅝– 9¼	0.86	32.20	0.41	29.3	1.22	0.50	NM	7.50
Storer Communications	41⅛	44⅛–29¼	1.47	16.07	–2.37	NM	0.75	0.00	227	19.60
United Artists Commun	25½	28½–15½	0.80	15.82	1.60	15.9	0.59	0.20	211	1.99
AirCal	6⅞	14⅜– 5⅞	0.25	14.21	1.27	5.4	0.49	0.20	377	3.20
El Torito Restaurants	12¾	14⅝– 9	0.67	10.85	0.85	15.0	0.53	0.20	200	3.50
Manor Care	26¾	27¼–15¾	1.27	10.83	1.39	19.2	1.16	0.20	303	6.24
Marriott	77	80¼–58½	0.65	8.10	4.65	16.6	0.73	0.70	187	24.50
Caesars New Jersey	13	19¾–11⅝	1.00	7.62	1.03	12.6	0.49	4.50	107	4.00
Caesars World	9½	13⅝– 8¼	0.50	6.76	0.66	14.4	0.57	0.10	135	3.59
AMC Entertainment	12¼	13⅞–12¼	0.61	5.26	1.16	10.6	0.41	1.60	19	6.30
Delta Air Lines	37⅝	45⅞–27	0.41	5.26	4.42	8.5	0.60	0.70	122	22.60
Williams Cos	30⅜	31⅞–22¾	0.48	5.13	5.26	5.8	0.82	0.20	152	34.20
JWT Group	36¼	40¼–30	0.48	4.42	3.37	10.8	1.08	1.10	25	12.55
Ramada Inns	6½	11⅝– 5⅝	0.43	3.96	0.63	10.3	0.66	0.10	166	6.40
Chrysler	31¼	33¾–20⅞	0.29	3.21	6.59	4.7	1.00	1.10	81	9.38
Coleco Industries	17⅝	26⅝– 9⅝	0.48	3.21	–1.46	NM	1.36	0.00	88	5.50
Eastern Air Lines	5⅛	7¾– 3½	0.05	3.00	–4.58	NM	0.88	0.20	2,052	2.53
Tiger International	8⅝	8⅝– 4¼	0.15	2.98	–4.54	NM	1.18	–4.70	814	[illegible]
Sears, Roebuck	32⅝	42¾–29½	0.33	2.45	4.05	8.1	1.19	0.50	76	[illegible]
Frontier Holdings	13⅞	15 – 8¼	0.28	2.37	–1.04	NM	0.63	0.20	111	16.30
Pan American Corp	5	9¼– 4	0.14	2.23	–0.99	NM	0.97	0.50	205	4.20
Air Express International	9⅜	9¾– 6	0.14	2.20	–0.01	NM	1.20	–0.10	181	2.10
Leaseway Transportation	28¾	40½–24½	0.27	2.12	2.92	9.8	0.72	27.80	87	24.30
UAL	43⅛	45 –28	0.25	2.09	6.79	6.4	0.71	1.20	94	40.33
Coastal Corp	26½	35 –21	0.09	1.33	4.33	6.1	1.00	0.70	151	21.14
Pabst Brewing	6¾	9¼– 5½	0.06	1.30	0.25	27.0	0.83	0.30	208	6.00
General Refractories	8¾	9½– 5	0.12	0.89	0.86	10.2	1.83	0.20	541	2.90
Early California Inds	5⅝	8⅛– 3⅝	0.05	0.72	–1.46	NM	1.24	0.00	275	10.77
Kay Corp	11½	14⅞–11¼	0.06	0.72	0.94	12.2	1.33	0.10	234	8.80

NM: Not meaningful.

Source: Disclosure II via Micro/Scan Data on diskette from Isys Corp.

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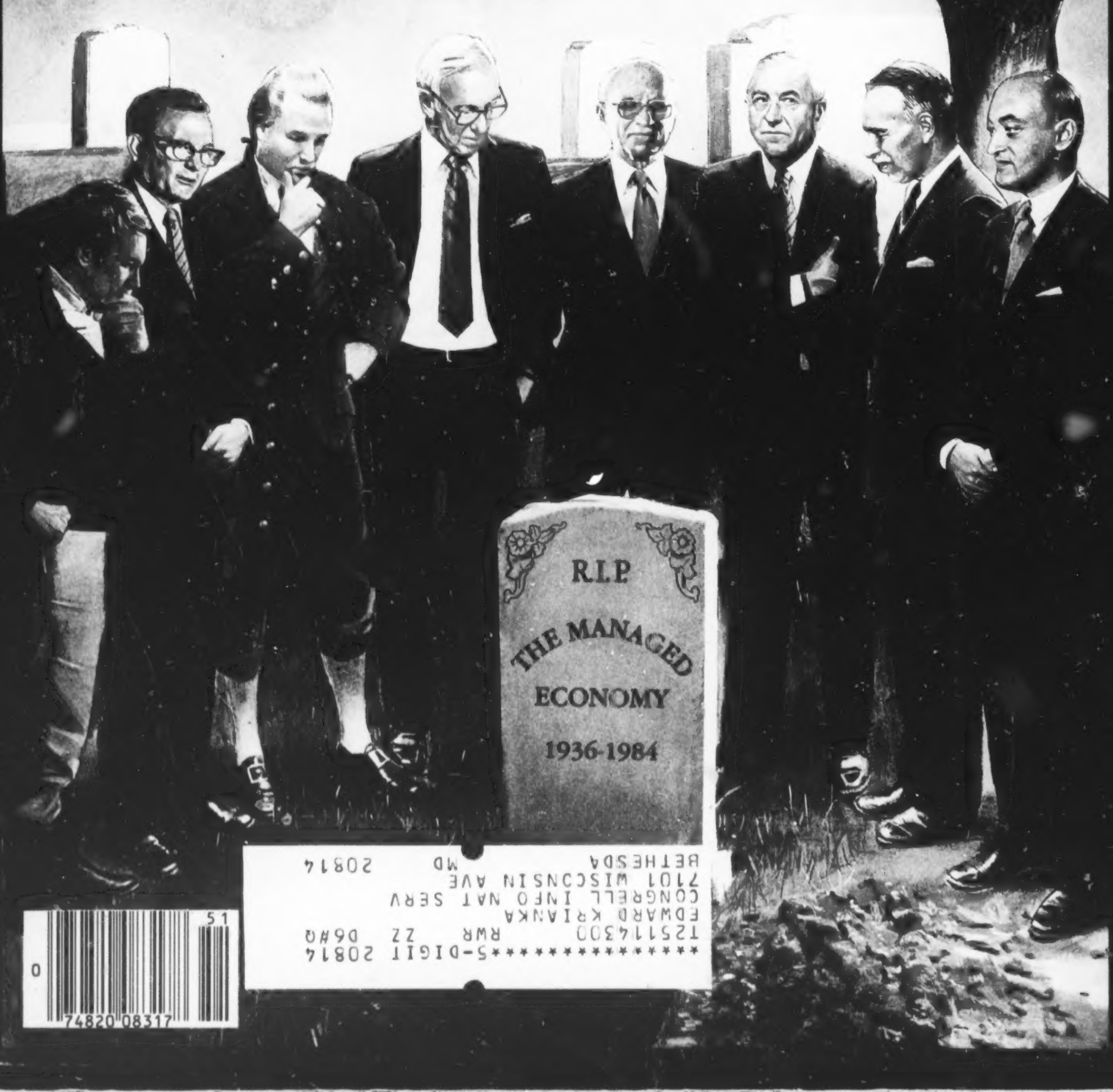
DECEMBER 17, 1984 THREE DOLLARS

Forbes

THE REBIRTH OF FREE MARKET ECONOMICS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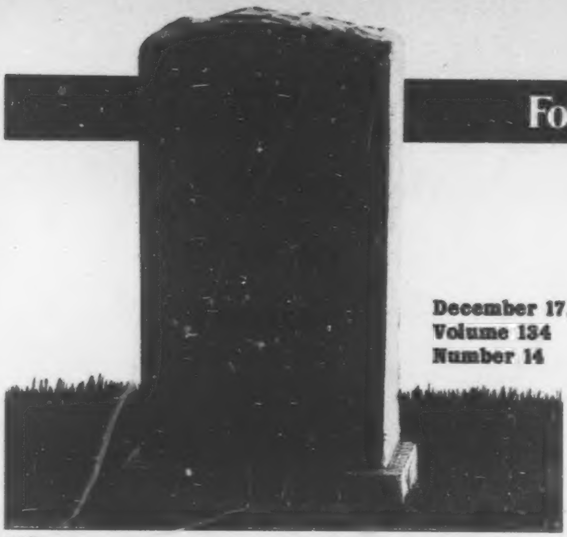

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December 17, 1984 Volume 134 Number 14 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $39 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1984 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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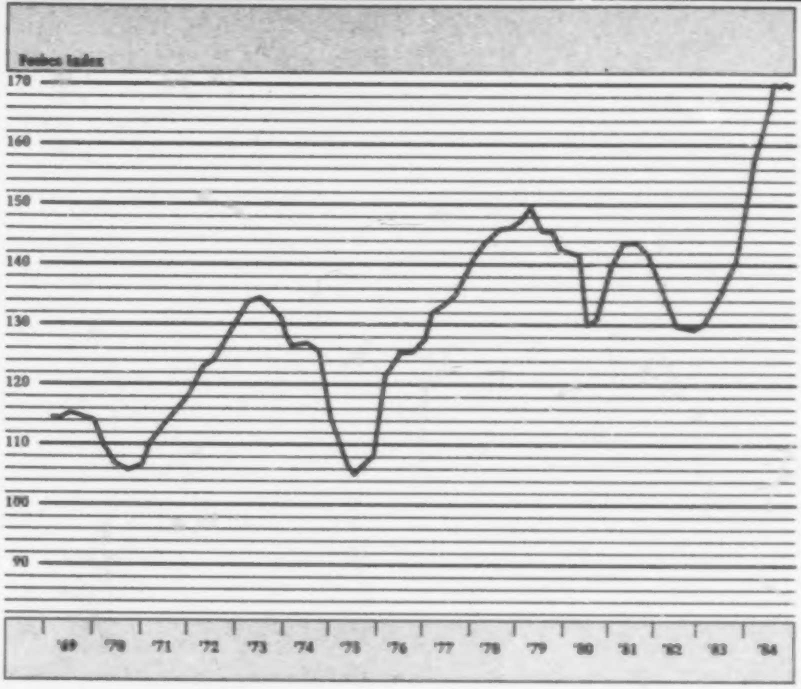
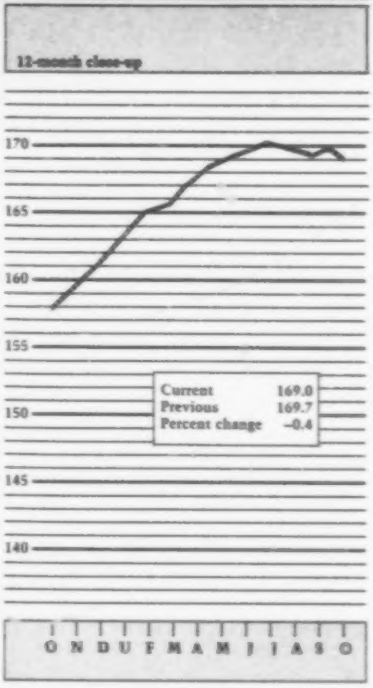
Cover illustration by: Alan Reingold

The Forbes Index





Current	169.0
Previous	169.7
Percent change	−0.4

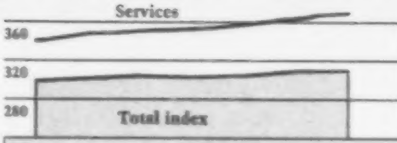
A little faster downhill. The Forbes Index suffered a 0.4% decline in the latest reporting period. This is the largest setback since the Index began losing ground in August. At present, however, the figures are more indicative of a slowdown than a recession. Manufacturers' new orders fell 4.1% from the previous month. Although retail store sales declined 0.1% from September to October, they are still 6.8% higher than in October of 1983.

While new housing starts show a 1.1% month-to-month gain, they are down 5.8% from a year ago. Personal income rose 0.2% over the previous month, but latest figures also show a 1% rise in consumer installment credit. If debt burdens continue to rise faster than salaries, consumers could end up in a bind.

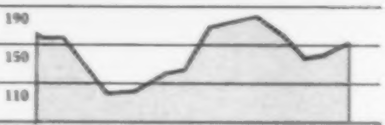
The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

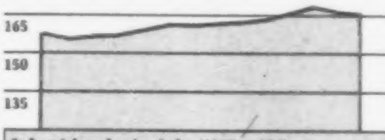
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



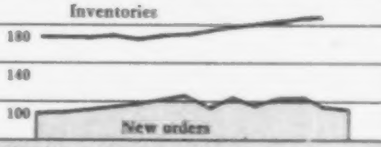
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



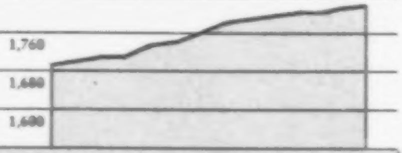
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



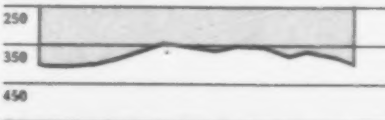
Industrial production index (1967 = 100)
Seasonally adjusted (Federal Reserve)



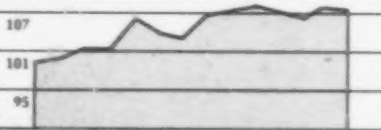
Manufacturers new orders and inventories
($billions) seasonally (Dept. of Commerce)



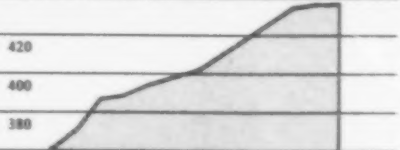
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

Biotechnology is on its way to becoming a great industry. But early investors in biotech won't get rich from it.

Dream delayed, dream denied

By Robert Teitelman

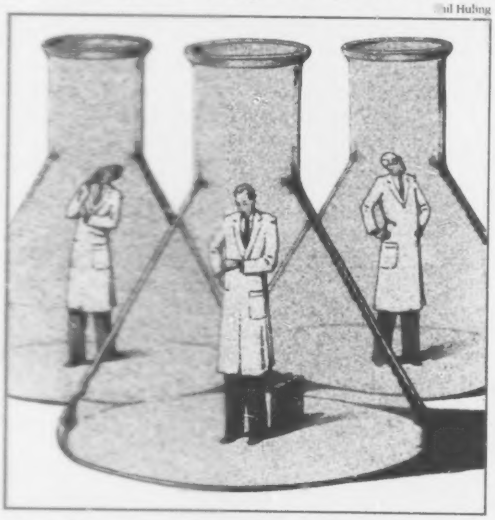
THE DREAM THAT DROVE investors in recent years to pour hundreds of millions into biotechnology companies is troubled these days. True enough, laboratory experiments with recombinant DNA and monoclonal antibodies are yielding new and useful substances, from compounds to help children grow, to medicines that may cure or alleviate cancer.

But making scientific breakthroughs is a long way from getting profitable products to market, and investors are discouraged. Genentech, Inc., the San Francisco-based firm, all but started the biotech boom when investors stampeded its initial sale of stock in October 1980. Genentech sells above its first offering, but many of the 75 or so biotech companies that went public since are selling well below the offering *(see table, p. 37).*

Even Genentech, the strongest of the biotech startups, faces difficulties, although the company's record of scientific achievement is unmatched in the field.

Genentech's two founders are Herbert Boyer, Genentech director and University of California biochemist, who was one of the pioneers of genesplicing in the mid-1970s, and Robert Swanson, the company's president and chief executive. The company has led the industry in a number of important areas: engineering the gene for human insulin and developing tissue-type plasminogen activator, or t-PA, an enzyme that dissolves heart-attack blood clots.

Staffed with over 130 Ph.D.s among its 655 employees, Genentech has ambitions to be a truly big company. "I don't think we'll be a billion-dollar company in five years," says Treasurer Shirley Liu Clayton, a Stanford M.B.A., "but we expect to have several hundred million dollars in revenues by then." The great expectations are founded on five major projects:



Phil Huling

- Human growth hormone, which has already been submitted to the Food & Drug Administration for approval as a drug to combat the 10,000 or so cases of growth hormone deficiency in American children. Clayton estimates the initial market could be anywhere from $20 million to $40 million a year.
- Gamma interferon. Scientists believe this form of interferon has antiviral and anticancer properties. But they're still unsure exactly how it works within the body's immune system. Currently, gamma interferon is well into clinical testing, the stage of product development that precedes filing for FDA approval. "If gamma proves effective against a couple of major cancers, it would be a fantastic product," says Clayton. "I would say many millions of dollars."
- Tumor necrosis factors, a family of anticancer compounds in preclinical testing. The factors may kill tumors by shutting down their blood supply. Clayton estimates tumor necrosis factors would be worth hundreds of millions in revenues.
- Bovine interferon, a form of interferon used against an upper respiratory viral infection in cows. Granada Corp., a private Texas feedlot operator, paid Genentech $20 million to do the research and testing.
- Tissue-type plasminogen activator. This is Genentech's big hope. With 1.5 million heart attacks in the U.S. a year—approximately half the victims die—this could be a big seller if and when it gets approval at the FDA. Taylor estimates a market of several hundred million dollars.

Genentech has financed its research to date by selling stock to the public and by doing contract research for others. After the initial offering in 1980, a 3-for-2 split in 1983 and a number of private placements, it has 14.5 million shares outstanding, for a market value of $486 million. Genentech even has earnings: $1.13 million in 1983 on $47 million in revenues, although much of the profit comes from interest on its cash balances.

But from here on, the road gets harder. To get marketable products from its research will demand three to ten years and hefty expenditure. "The work the biotech companies have done so far costs only one-tenth of what it will cost them to get a product to market," says David Wheat of Arthur D. Little. "It gets progressively more expensive as you go through scale-up, regulatory approval and into marketing and distribution."

Some of the projects undoubtedly won't make it beyond the research stage. For those that do, Genentech faces the further challenge of creating a market as well as a product. Says Wheat: "Genentech, which has never marketed a product, will be trying to build a brand-new market." The estimated cost of bringing, say, gamma interferon to market could be as much as $60 million, if there were no major problems.

And, at least on interferon, Genentech already faces competition from big companies—Hoffmann-LaRoche, Bristol-Myers and G.D. Searle are developing gamma interferon—and from advancing technology. Amgen has developed second-generation consensus interferon that may leapfrog earlier versions, including Genentech's.

Add it up, and you get a stock with a current price that discounts a great deal that hasn't yet happened. Says Jules Marx, managing director of Whale Securities and editor of *Med-Tech Advisor,* "If you take a 10% net margin on 1989 sales of, say, $500 million," and discount for the cost of capital over the next five years, "you would end up with profits of about $30 million in today's dollars." Thus, Genentech is selling at 16 times the present value of estimated 1989 earnings, and those earnings may or may not be achieved.

On the way to successful products, moreover, Genentech shareholders face a good deal of potential equity dilution. The company sold two research and development partnerships (a third is in the works); the three will bring in $120 million in off-balance-sheet financing. Investors in the partnerships will get tax losses while the proposed products are in the red, and royalties when and if they become profitable. The investors will also get a chance to exchange their partnership interests for either cash or stock. The R&D partnerships could add at least 3 million shares to Genentech—a 21% dilution.

The implications are obvious. As the research and testing absorb more cash, the likelihood of Genentech's becoming a giant company, as opposed to a small and highly regarded research outfit, grows more remote. The Lubrizol Corp. (which recently agreed to acquire one biotech company, Agrigenetics Corp.) owns 14% of Genentech's stock. It's possible that this brightest of the biotech startups will ultimately be forced by capital needs to become a big company's subsidiary.

If Genentech is a question mark, what about the lesser companies in the field? Looking at the silver lining in their dark prospects, Wall Street talks of profitable buyouts. The thinking is that investors in biotechnology companies will recoup something when they are bought out by the drug and chemical giants. Will the big companies pay high premiums for companies whose principal assets—their scientific minds—go down in the elevator every night? Maybe, maybe not.

Equity engineering

Most biotech stocks are selling below initial prices but are no bargains. In many cases, R&D partnership interests will dilute stockholders' equity.

	Initial offering price	Recent price	Equity	Debt (millions)	R&D limited partnership	R&D as % of equity
Amgen	18	4¼	$59	$8	—	0%
Cetus	23	10	136	5	$ 75	55
Genentech	35	50¼*	96	5	120	125
Genex	9½	8⅛	49	9	—	0
Centocor	14	10¼	29	—	—	0
Collaborative Research	11	5¼	36	—	—	0
Molecular Genetics	9	6½	37	—	11	30
Hybritech	11	15½	61	1	77	126
Biogen	23	5¼	125	3	26	21
California Biotechnology	12	5¼	16	—	28	175

*Adjusted for splits.

Source: *Whale Securities.*

The trouble is that the dream that promised a payoff in biotech contained a flaw not present in other high-tech fields. Unlike entrepreneurial companies in computers and semiconductors, the biotech startups had no products. Payoffs to investors come from profitable products, not from basic research. The fledgling biotech companies are a long way from having such products. ■

Hollywood producers, the Central Casting cliché has it, are cigar-chewing mogul types. But a good many producers think of themselves as exploited workers. And just look to whom they have turned for help.

Labor pains

By Alex Ben Block

THE MOST RECENT additions to the roster of fee-paying affiliates of the 1.9 million-member International Brotherhood of Teamsters are more likely to be driving Mercedes than 18-wheelers. They are members of the Producers Guild of America, Inc., representing 800 producers of movies and television shows. PGA members last month voted overwhelmingly to become independent affiliates of the Teamsters. The producers hope the threat of a strike by Teamster drivers and others will finally give them enough clout to force major studios and TV production companies to come to the bargaining table, thus ending years of frustrating indifference.

The battle until now has centered on definition. Is a producer management or labor? There can be no doubt, the PGA argues, that the vast majority of producers are the latter. "The producer is the individual hired to go in and manufacture the product for the production company," says Charles B. FitzSimons, 60, a working TV producer (*Goodnight Beantown,* etc.) and executive director of the PGA. "Unlike

David Stockman opposed it. But Mark Hatfield sold it, Ronald Reagan signed it and the country's lumbermen love it.

The great timber bailout of 1984

By Kathleen K. Wiegner

MEXICO ISN'T THE ONLY PLACE where debt is renegotiated. It's also done in Region Six. That's the U.S. Forest Service's designation for an area encompassing the Northwest's great conifer forests in Washington and Oregon. In the late 1970s and early 1980s, timber-poor lumbermen, particularly those west of the Cascade range, signed timber-cutting contracts with the Forest Service for 9.7 billion board feet at around $310 per thousand board feet (FORBES, *Jan. 30*). Today the price is around $86 per thousand board feet. Forcing the lumbermen to honor their timber contracts could have cost the industry over $2 billion and bankrupted several sizable firms.

According to estimates by Salomon Brothers analyst H.C. Bowen Smith, Eugene, Ore.-based Bohemia Corp. could have lost over $138 million—$42 million more than Bohemia's net worth. Medford, Ore.-based Medford Corp.'s $76 million timber contract liability would have wiped out its $61 million net worth *(see table)*.

Ronald Reagan to the rescue. On Oct. 16 the President bailed out the lumbermen by signing into law HR 2838. In effect, the law gives timber companies the chance to pay for their folly in increments that should cause little financial damage to all but a handful of the smallest outfits. The bill could, for example, cut Bohemia's potential contract loss from $138 million to $63 million, Medford's from $76 million to $17 million.

The timber bailout shows political maneuvering at its most artful. Less than a year ago, chances for legislation looked as bleak as the timber companies' balance sheets. Reagan was against any bailout. Even the forest products companies were fractionalized. A dozen small, privately owned timber companies that had not engaged in the bidding frenzy of the late 1970s opposed relief on the grounds that it would only encourage further speculative excess. Southern timber companies, which buy little or no federal timber, also opposed a bailout. They worried that if contracts were terminated, the Forest Service would throw billions of board feet of unharvested trees on the market, further depressing the already low price of standing timber in the Northwest. Big outfits such as Boise Cascade and Potlatch were cool to the inequity in proposals that helped only small companies west of the Cascades.

Knotty questions

How much exposure forest products companies have with their high-cost federal contracts is both controversial and complex. How much timber eventually will be turned back will not be known until next year. Remaining volumes can be cut over the next five years. If wood-product prices recover, remaining potential loss would be reduced. Total unharvested volumes are as of June 30, 1984; potential losses, as of Aug. 31, 1984.

Company	Net worth	Total volume	Potential loss	Buyout volume	Potential loss removed	Buyout cost	Remaining potential loss
Bohemia	$ 96	566	$138.4	202	$75.8	$2.0	$62.6
Boise Cascade	1,423	851	119.8	209	62.1	11.5	57.8
Champion International	1,830	442	89.0	201	63.6	11.1	24.9
Georgia-Pacific	2,125	140	37.9	89	28.4	4.0	9.5
International Paper	3,374	236	43.2	137	34.9	5.1	8.3
Louisiana-Pacific	752	147	102.2	203	49.2	10.6	53.0
Medford Corp	61	250	75.6	151	58.5	1.5	17.1
Plum Creek Timber*	4,027	280	25.5	201	22.2	3.9	3.3
Pope & Talbot	112	271	72.0	203	60.8	5.8	11.2
Publishers Paper†	1,183	362	73.0	201	54.5	8.7	18.5
Southwest Forest	205	536	141.9	202	86.1	15.6	55.8
St Regis Corp	1,411	141	11.6	123	11.1	1.9	0.5
Weyerhaeuser	3,260	66	5.0	42	4.1	1.2	0.9
Willamette Industries	413	343	85.6	200	59.9	10.3	25.7

Dollars in millions, volume in million board feet. *Subsidiary of Burlington Northern. †Subsidiary of Times-Mirror. *Sources: Timber Data Co.; Salomon Brothers.*

The $64,000 question.

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The task of building a coalition powerful enough to bend Reagan's mind fell to two experienced Oregon pols—Republican Senator Mark Hatfield, who had spent three years fighting for some sort of relief for his constituency, and Democratic Representative Les AuCoin, who had introduced a contract relief bill in 1981. Both men were up for reelection this year, so the pressure to perform was on. Both won reelection.

Hatfield and AuCoin zeroed in on Senator Howard Metzenbaum, the Ohio Democrat who had threatened to filibuster any legislation that did not include a "needs test." Metzenbaum had opposed earlier timber contract relief bills on populist grounds, arguing they might treat large companies less severely than smaller ones. But Hatfield and AuCoin convinced Metzenbaum they wanted to bail out companies in proportion to their need, not their size.

The timber bailout shows political maneuvering at its most artful. Less than a year ago, chances for legislation looked as bleak as the balance sheets of the timber companies.

Southern timber interests had to be brought around, too, of course. Eventually the Northwest lumbermen convinced the Southerners that a wave of bankruptcies in the Northwest would hurt everyone, specifically on Wall Street. The South bought the argument and endorsed legislation hammered out by Metzenbaum and Hatfield.

No one could deliver Budget Director David Stockman and Assistant Agriculture Secretary John Crowell Jr. (who is responsible for the Forest Service), who remained unalterably opposed to the bailout. But no one, it turned out, had to. Without fanfare, Reagan signed HR 2838 just one day before it would have expired.

HR 2838 amounts to a nifty piece of debt restructuring. In general, it allows lumbermen to pay off much of their timber contract liabilities at pennies on the dollar. The bill says companies can buy out of up to 55% of their cutting contracts, up to a maximum of 200 million board feet of contracted volume.* The other 45% must be harvested under the terms of

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**Most contracts are in the range of 200 million to 300 million board feet. The largest contracted volume, 851 million board feet, is held by Boise Cascade.*

the original contracts, some of which run until 1989. Companies have until mid-April of next year to decide how much timber to return.

What price the buyout? To make sure big companies were not favored relative to little ones, Metzenbaum got his needs test; companies with greater financial strength pay more to buy back their cutting liabilities. Thus, according to Salomon Brothers' Bowen Smith, Bohemia (whose potential contract losses equal 144% of its net worth) can eliminate $76 million worth of potential timber contract losses by paying $2 million. But healthier Champion International, whose potential loss equals 5% of net worth, would have to pay $11 million to wipe out $64 million of potential losses.

And how were the southern timber interests taken care of? HR 2838 puts a cap on the amount of Region Six timber the Forest Service can sell. Over the next seven years, total Forest Service timber sold but unharvested may not exceed 12.3 billion board feet (about a three-year supply). Sales in any one year may not exceed 5.2 billion board feet. The southern lumbermen like that provision because it removes the threat of massive clearance sales by the Forest Service that would undercut their price structure.

Contract relief does not solve the fundamental problems of the Northwest timber industry: overcapacity, high raw material, labor and transportation costs and increasing competition from cheaper Canadian products. Nor will it prevent defaults by companies that find even the relief offered inadequate. It merely buys time.

The government could receive around $400 million, as companies buy out of their contracts. And the Forest Service and Bureau of Land Management might get back as much as 7 billion board feet of timber, worth around $600 million at current prices.

So how much, net, will the great timber bailout cost the Treasury? It's hard to say precisely. David Stockman told Congress that HR 2838 would cost the government $400 million it might have collected from those companies that could honor their contracts. Congress' in-house research arm put the cost at $1 billion. Not exactly small change either way. But lumbermen, like central bankers in Mexico and Brazil, argued the government was better off with something from a surviving industry than nothing from a bankrupt one.

Persuasive logic, that, even if it does make nonsense of the definition of the very word "contract." ■

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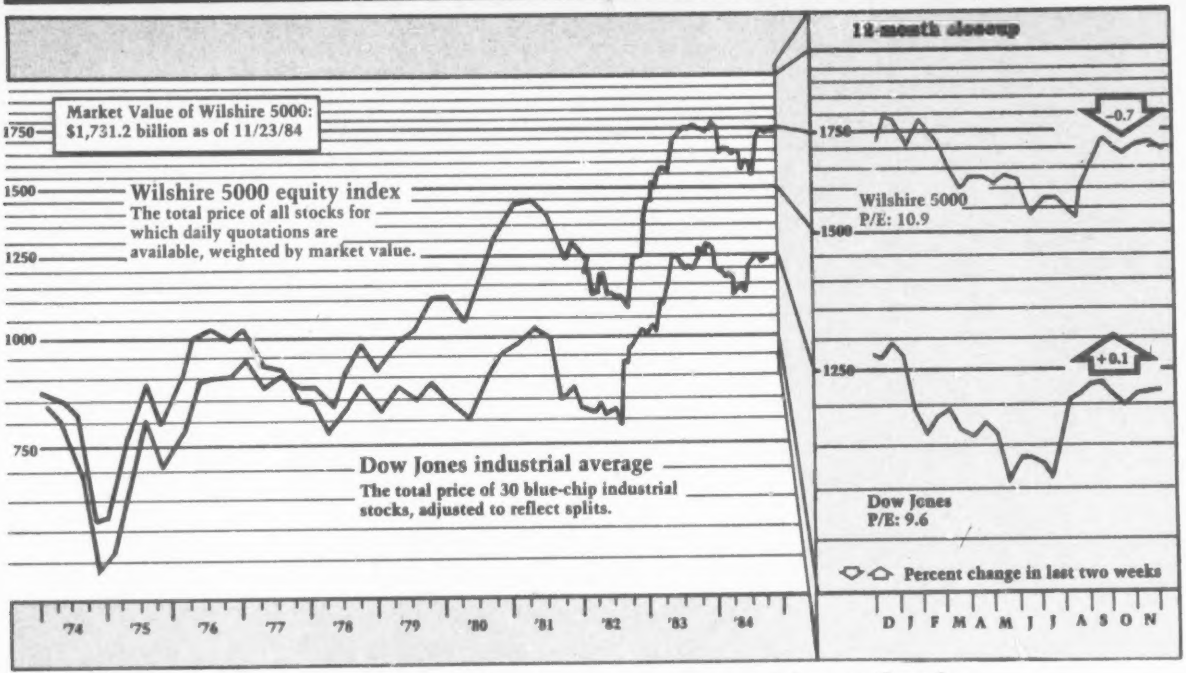
The Forbes/Wilshire 5000 Review



Perhaps it stopped falling, but will it rise? Hopes for a quick postelection rally quickly faded as the Dow fell 58 points between Nov. 6 and Nov. 19. Following that, the market began to make up for some lost ground. Most of the broad indicators finished the last two weeks with only minor losses. The more than 5,600 issues that make up the Wilshire index fell 0.7%, and the NYSE composite dropped by the same amount. NASDAQ shares suffered the sharpest loss with a 1.6% decline, while Amex-listed issues were off 0.7%. Although the 30 blue-chip issues making up the Dow industrials managed to eke out a 0.1% gain during the two weeks, this movement was not representative of the overall market.

Are better days ahead? Leading economic indicators are pointing downward, earnings estimates continue to fall, the Wilshire index is already selling at almost 11 times latest 12-month earnings, and upward volume has been unspectacular. On the other hand, institutions currently have around 13% of their portfolios tied up in cash. That's around $130 billion they could pour into the equity markets. This compares favorably with the cash position prior to the August 1982 rally. Portfolio managers, however, are unlikely to plunge into the market without some surprising good news.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	0.6	1.9	1.3	0.8	0.0	–0.8
in last 52 weeks	–3.1	0.5	–4.5	–0.5	–6.0	–14.0

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	1.3	–3.0	–2.9	0.6	–3.0	0.5	1.4	–2.7	–3.2	1.2	0.9	–3.1
in last 52 weeks	–1.4	–8.0	–15.1	10.0	–19.5	6.3	6.9	–12.8	–12.2	7.9	2.7	–16.4

[1] Based on sales.

[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.

[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 11/23/84. Prepared by Wilshire Associates, Santa Monica, Calif.

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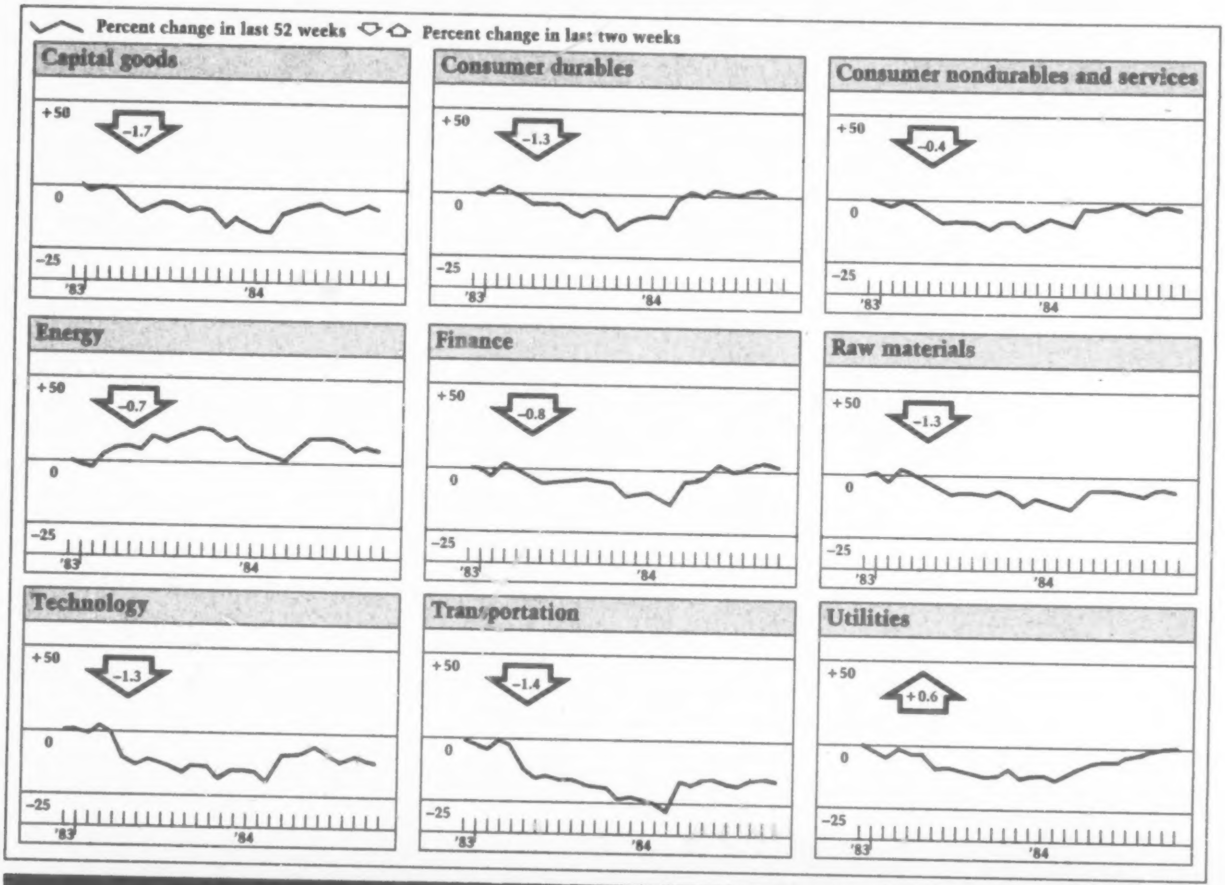
Where The Action Is

Utilities on top. All Wilshire sectors lost ground during the latest two-week stretch except for the utilities, which registered a 0.6% gain. Utility stocks also showed the best four-week performance, with a 2.3% rise. Declining interest rates and poor performance of many industrial issues are, once again, attracting investors to the safe and attractive yields offered by many utility shares.

Over the last two weeks only one other Wilshire sector, consumer nondurables, fared better than the overall market. While the broadly based Wilshire index lost 0.7%, consumer nondurables declined by only 0.4%. Energy shares paced the Wilshire with a 0.7% loss, while capital goods showed the poorest performance with a 1.7% drop in value.



What The Analysts Think

Falling 1985 estimates. With third-quarter figures on the books, security analysts are making slight—and mostly downward—revisions in 1984 earnings estimates. But the cuts in 1985 estimates are running much deeper. For example, in four weeks the forecasts for The Forbes 500 have been cut from an average of $4.58 to $4.47 a share.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.11	10.8
1984 estimates	3.91	9.3
1985 estimates	4.47	7.6

Rank based on change in estimate	Sector	Estimated 1984 EPS	% change in 1984 estimate in 2 weeks	in 4 weeks
1	Utilities	$3.54	–0.23%	–0.39%
2	Capital goods	2.75	–0.75	–1.42
3	Transportation	2.46	–0.91	–1.04
4	Energy	2.61	–0.95	–1.62
5	Finance	3.25	–0.96	–1.03
6	Consumer non-durables	2.63	–1.24	–1.74
7	Raw materials	2.58	–1.36	–1.76
8	Consumer durables	3.39	–1.43	–1.36
9	Technology	2.55	–1.45	–1.86

Earnings projections are equal-weighted consensus estimates from over 1,800 security analysts. Forecasts for the 9 Wilshire sectors are limited to firms with 3 or more estimates, with a mean estimate greater than $0.50. Data are compiled and updated weekly by Zacks Investment Research, a Chicago-based quantitative consulting firm.

Note: All data for periods ending 11/23/84. Prepared by Wilshire Associates, Santa Monica, Calif., Zacks Investment Research, Inc., Chicago, Ill.

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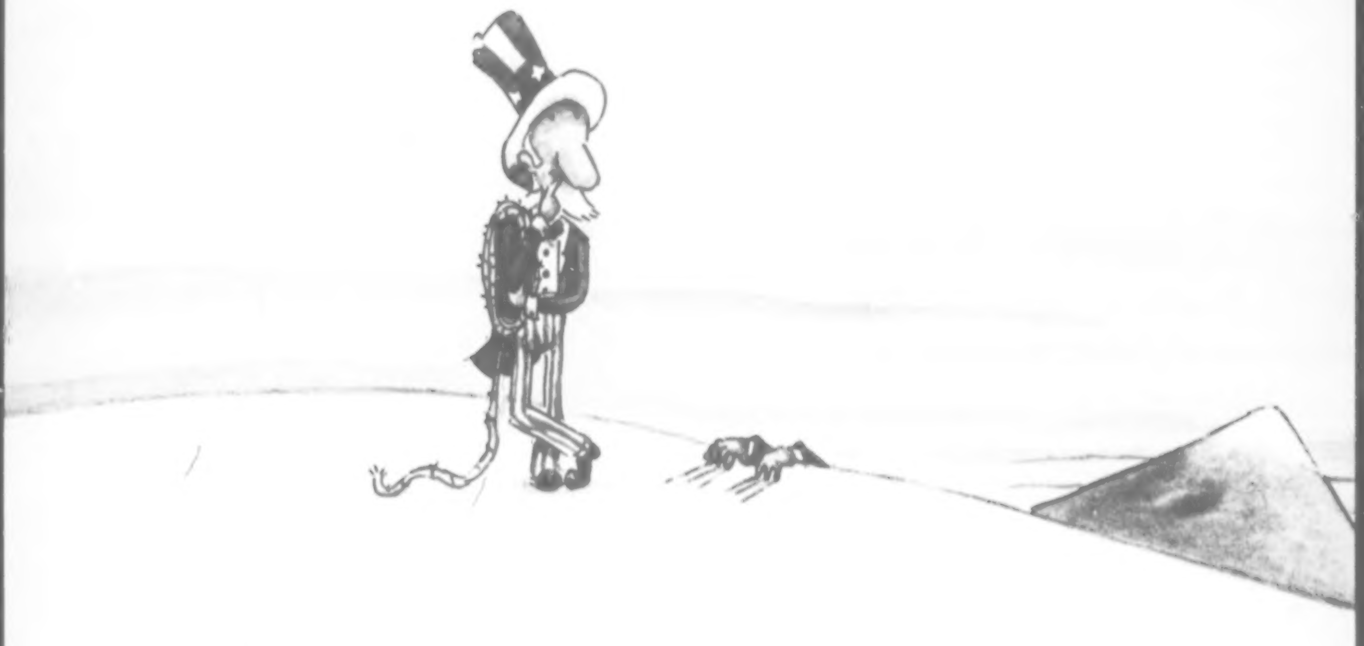

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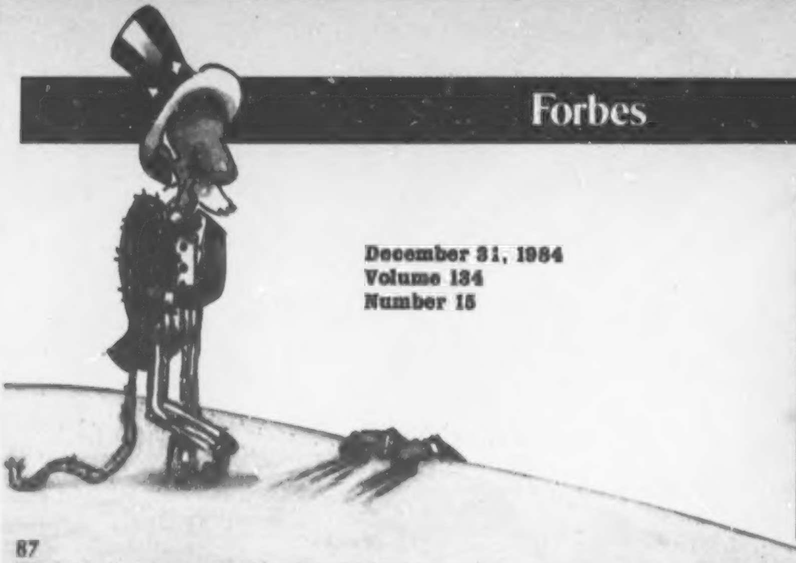
Number 15



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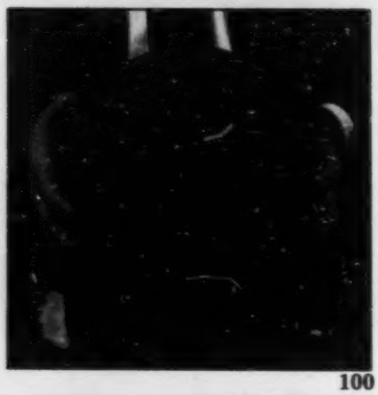

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December 31, 1984 Volume 134 Number 15 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $39 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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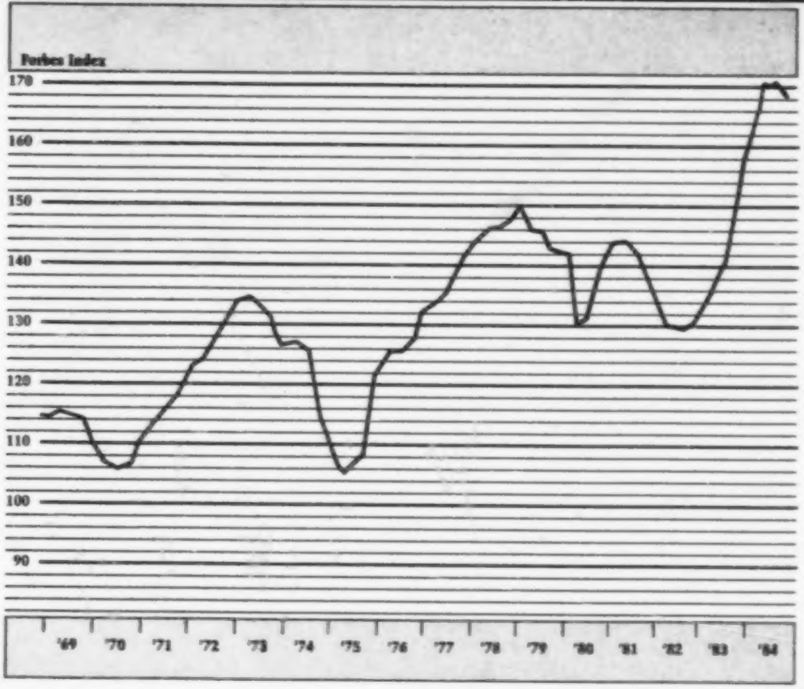
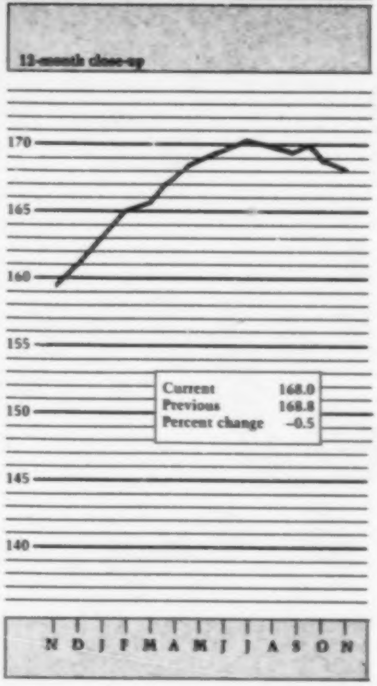
Cover illustration by: Patrick McDonnell

The Forbes Index





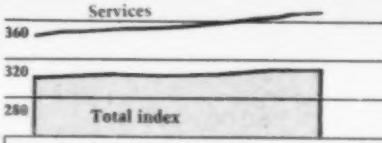
Current	168.0
Previous	168.8
Percent change	-0.5

The slowdown is real. The Forbes Index again registered a 0.5% decline. The culprit is a 0.9% rise in manufacturers' inventories—to a record high. In calculating the Forbes Index, the most recent inventory figure is compared to manufacturers' new orders for the past three months, and current numbers show a 2.3% decline in the three-month moving average of new orders. Further evidence of a potential problem is inventory accumulation: The latest three-month figure for new orders is 7.7% higher than the three-month moving average figure of a year ago, and warehouses are holding some 11.7% more inventory than they did then. New unemployment claims dropped 4.9% in November. But if current inventory isn't sold soon, unemployment claims may begin to rise again.

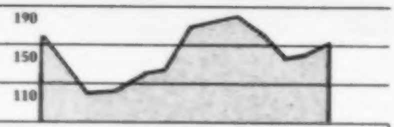
The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

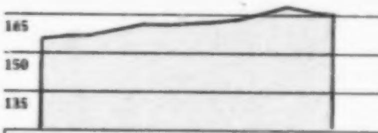
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



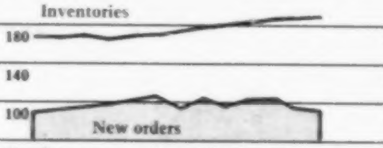
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



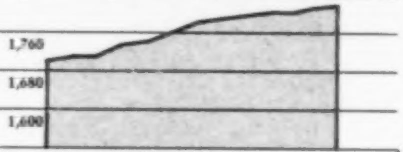
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



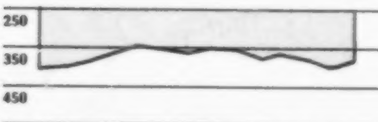
Industrial production index (1967 = 100)
Seasonally adjusted (Federal Reserve)



Manufacturers new orders and inventories
($billions) seasonally (Dept. of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
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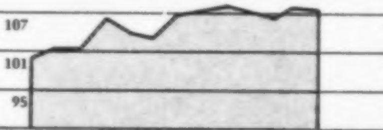

Retail store sales ($billions)
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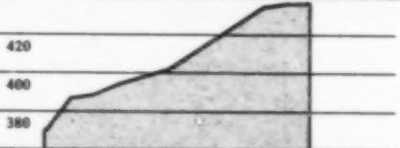


Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

[illegible]

Nomura Securities is now bigger than Merrill Lynch. The Japanese brokers are coming on strong in the U.S. and worldwide.

A yen for new markets

By Richard Phalon

Are the "big four" Japanese brokerage firms doing in international finance what Toyota and Nissan have done in autos? Not quite, but they are cutting a wider and wider swath there. Just look at how the huge British Telecommunications offering got divvied among underwriters. Once bit players in international finance, the Japanese grabbed a major piece of this nearly $5 billion deal.

Brit Telecom's bankers allotted a Japanese syndicate headed by Nomura Securities Co. 180 million ordinary shares—about 6% of one of the hottest stocks to come along in years. The Japanese slice was exactly the same size as the one parceled out to an American syndicate under the prestigious lead of Morgan Stanley.

"The interesting thing is that the Japanese got as much stock as we did, even though we represent 55% of the world's equity market and they represent only 18% of it," says Robert Cooney of First Boston. This is significant because it recognizes that Japanese brokers now have distribution clout beyond their native shores.

A lot of heft and hustle lies behind that recognition. With a net worth of more than $2 billion, Nomura is the world's biggest broker—bigger than Merrill Lynch and, at the moment, a good deal more profitable *(see table)*.

Like Nomura, other members of the big four—Daiwa Securities, Yamaichi Securities and Nikko Securities—are earning big profits this year from commissions on heavy trading volume that has propelled the Tokyo Stock Exchange to record highs. Big profits have come also from a hard sell on U.S. blue chips in Japan. Nomura, for example, sold some 2.2 million shares of IBM to Japanese investors in a major push last year.

That effort, according to Akira Shimizu, president of Nomura's U.S. operations, was followed by a brisk two-month campaign this summer when the New York subsidiary moved about 1.5 million shares of GE into Tokyo. "With a distribution system as big as ours," says Nomura International's Brian Fernandez, "you have to deal in size."

The Japanese brokers, of course, are the beneficiaries of a society that saves so much it has capital to export in spite of horrendous government deficits and a high rate of investment at home. The brokerage firms have helped channel a lot of that money

Jim Pozarik/Picture Group

Nomura's Shimizu

These days the clout is international.

overseas in search of much higher returns. Top-grade Japanese corporates yield little more than 7%.

The old-line names that dominate the U.S. investment banking business—First Boston, Morgan Stanley and Salomon, among others—are still the names to beat in Europe, but the Japanese are gaining. Nomura now ranks number 11 among the top lead or co-lead underwriters in the $75 billion Eurobond market. Daiwa and Nikko rank 18 and 27, respectively. They operate not only in the traditional outlets of Tokyo, Hong Kong and Singapore but also in New York, London, Frankfurt and Zurich.

Look at the $1 billion in four-year notes the U.S. Treasury put out in October. The special offering was targeted mainly at foreigners, but Nomura and Daiwa alone snapped up almost half of it. The appeal: about 4.5 points more than yields on comparable Japanese maturities.

The Japanese are not finding international finance a pushover, however. For a long time, thanks to Japanese government restrictions, they had the fat Euroyen markets—yen-denominated securities sold outside Japan—as a cozy private preserve. But, under foreign pressure and because of domestic need, the underwriting business has been opened to outsiders. As Nomura's Shimizu says, "We generate quite a lot of business in Europe, so we invite Salomon, Goldman, Sachs and the other major American underwriters in. When they have something, they invite us in."

The New York outposts of the Japanese firms have been among the biggest beneficiaries of that time-honored back-scratching formula. As Tokuro Isoda, president of Daiwa Securities America, Inc., notes, for years their main mission was to sell Japanese stocks to American institutional investors and U.S. stocks to the Japanese. The American side of the equation was a pretty hard sell, partly because the depositary receipt market in some Japanese stocks here tends to be thin *(see box).*

Further, because Japanese corporations did comparatively little financing here, the New York subsidiaries of the big four really didn't have all that much collateral to bring to the underwriting parties. Thus, for years Japanese brokers languished near the bottom of the syndicate tombstone ads that define the pecking order of the tight little world of Wall Street's investment bankers. Prestige aside, placement below the salt meant the Japanese often got modest allotments of the kind of new offerings they needed to get U.S. institutional investors to open their doors a bit wider.

All that is changing now, thanks to the enormous clout the Japanese have amassed in the rest of the world. "They used to be between 20% and 25% of our domestic syndicates," says Eugene D. Atkinson, manager of Goldman, Sachs International's Tokyo branch, "and last year I would guess that they were in over 50% of them."

Like their colleagues in the auto business, many Wall Streeters complain about the level of the playing field: open markets on the U.S. side, tightly restricted markets on the other. But it is harder for the Japanese to play by two sets of rules in the international finance game. Some of the financial barriers are coming down now, partly because of what the Japanese call *gai atsu*—foreign pressure. There are major internal forces working for liberalization of the Japanese markets, too, so it's a good bet that U.S. investment houses will become a major presence in Kabuto-cho, Tokyo's Wall Street. But by then they will be finding the Japanese increasingly tough competitors elsewhere in the world, the U.S. included. ■

The big eight

Japanese brokers now rank well up in world pecking order. Huge capital positions give them the muscle to deal with the best.

Firm	Net worth 9/30/84	Estimated fiscal 1984 revenues	Estimated fiscal 1984 net income
	(millions)		
Nomura	$2,291[1]	$997[1]	$185[1]
Merrill Lynch	2,021	6,000	77
Nikko	1,255E	990	155
Salomon Brothers	1,188[2]	3,100	321
Daiwa	1,138E	1,100	163
Shearson Lehman	940	[illegible]	103
Yamaichi	890E	890	120
Dean Witter Reynolds	623[2]	1,500	-37

[1] All Nomura figures are first-half fiscal 1984, as of Mar. 31, 1984.
[2] As of June 30, 1984. E: Estimated *Sources: Perrin Long, Lipper Analytical; Japanese companies supplied own estimates.*

A piece of the action

The Tokyo Stock Exchange sometimes follows the New York market, but it has lately been prosperously out of sync. Tokyo has been clicking off a series of new highs, while the Big Board has been sunk in an indecisive funk.

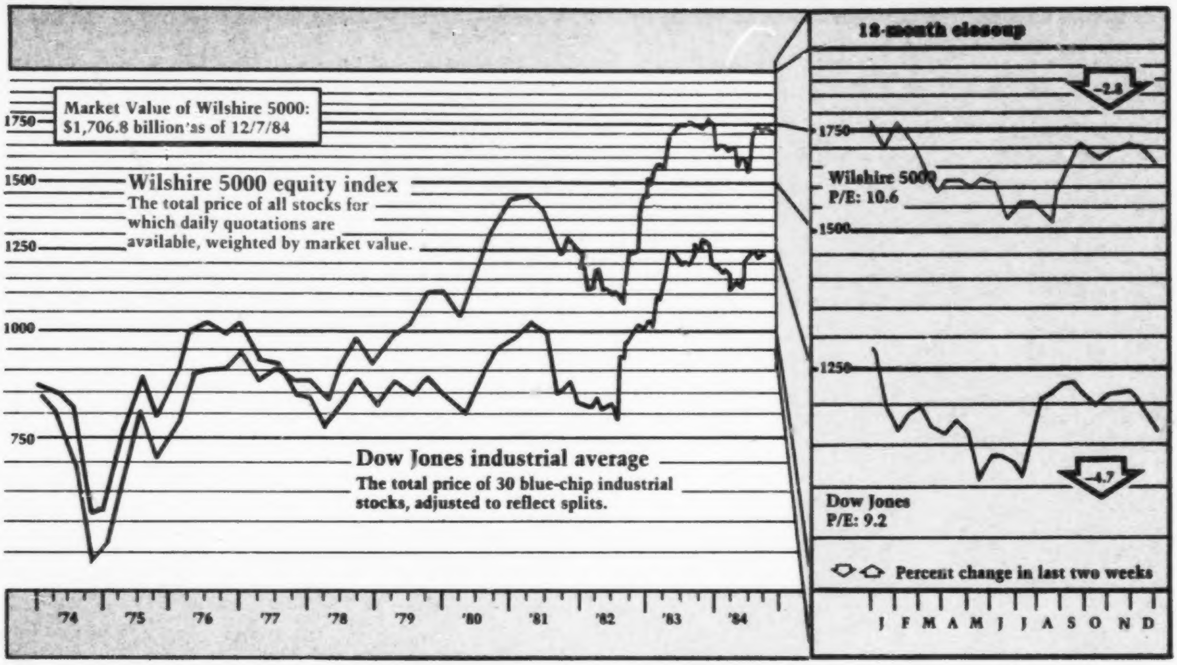
The big play in Tokyo lately has been in banks and finance companies, a trend that followed a big runup in drug companies working on anticancer agents of one kind or another. Such switches are typical of the Tokyo exchange, which, at its most manic, tends to be "a broker-driven theme and concept market," says Timothy Schilt, president of the Japan Fund.

That doesn't mean any shortage of such fast-growing blue chips as Matsushita, Sharp or NEC Corp. for long-term investors. It does mean Tokyo tends to be more volatile than New York, often because of the recurrence of what is known by the local crowd as a "ramp"—clusters of traders and quick-turn speculators hopping aboard (and off) the same concept at the same time.

How to get in on the action? The easy way is through the 125 or so Japanese stocks traded in New York—mainly over-the-counter, about 7 on the Big Board—under American Depositary Receipts. Among the most active are blue-chip issues such as Canon, Sony and Toyota, which can be bought and sold through any broker here at standard commission rates. Some ADRs tend to be thinly traded and thus short on liquidity. The big names, however, move in depth. "It's not unusual for us to do a half-million-share order in a stock like Matsushita or Sony," says Nomura's Brian Fernandez.

The alternative is to go directly to the Tokyo market by setting up a yen account through one of the big four or through one of the six U.S. brokers licensed to do business in Japan. The advantage is that you get a pick of the entire universe of Japanese stocks rather than the smaller cosmos traded under ADRs. One disadvantage: fixed commissions and no competitive discounts for institutions and individuals.—R.P.

The Forbes/Wilshire 5000 Review



A confused market keeps stumbling. Wall Street is still trying to sort out the Treasury Department tax proposals and to figure out how many of the proposed changes will actually become law. But first reactions are gloomy. During the last two weeks, the 5,600-stock Wilshire index fell by 2.8%. For the month the Wilshire is off 3.5%, and the Dow industrials declined 4.6%. But one Dow stock, Union Carbide, lost 12 points in the week following the gas leak at its Indian insecticide plant.

During this same period, IBM, another Dow issue, dropped more than 4 points. The average NYSE share, meanwhile, outpaced the Wilshire and fell only 2.7% for the two-week period and 3.3% for the four-week period.

The yardsticks below show that over the past 52 weeks speculative issues have underperformed their more conservative counterparts by a wide margin. High-volatility shares declined 18.2%, while low-volatility shares advanced 9.4%. Since election day, more-speculative issues have been hit extremely hard. High-volatility shares declined 9% over the past four weeks, while low-volatility shares are off only 1.2%. Shares with P/Es over 25 fell 8.1%, while those with multiples under 5 declined only 2.7%. Stocks priced under $4 fell 9.1%, vs. a 2.6% decline in shares selling for over $40.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	−3.5	−3.2	−4.6	−3.3	−4.7	−4.2
in last 52 weeks	−4.5	−0.9	−7.7	−2.0	−9.1	−14.8

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	−3.5	−7.2	−9.0	−1.2	−8.1	−2.7	−1.2	−6.1	−7.7	−1.8	−2.6	−9.1
in last 52 weeks	−2.9	−10.3	−18.2	9.4	−21.8	4.9	6.6	−15.3	−13.6	6.8	1.4	−20.4

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

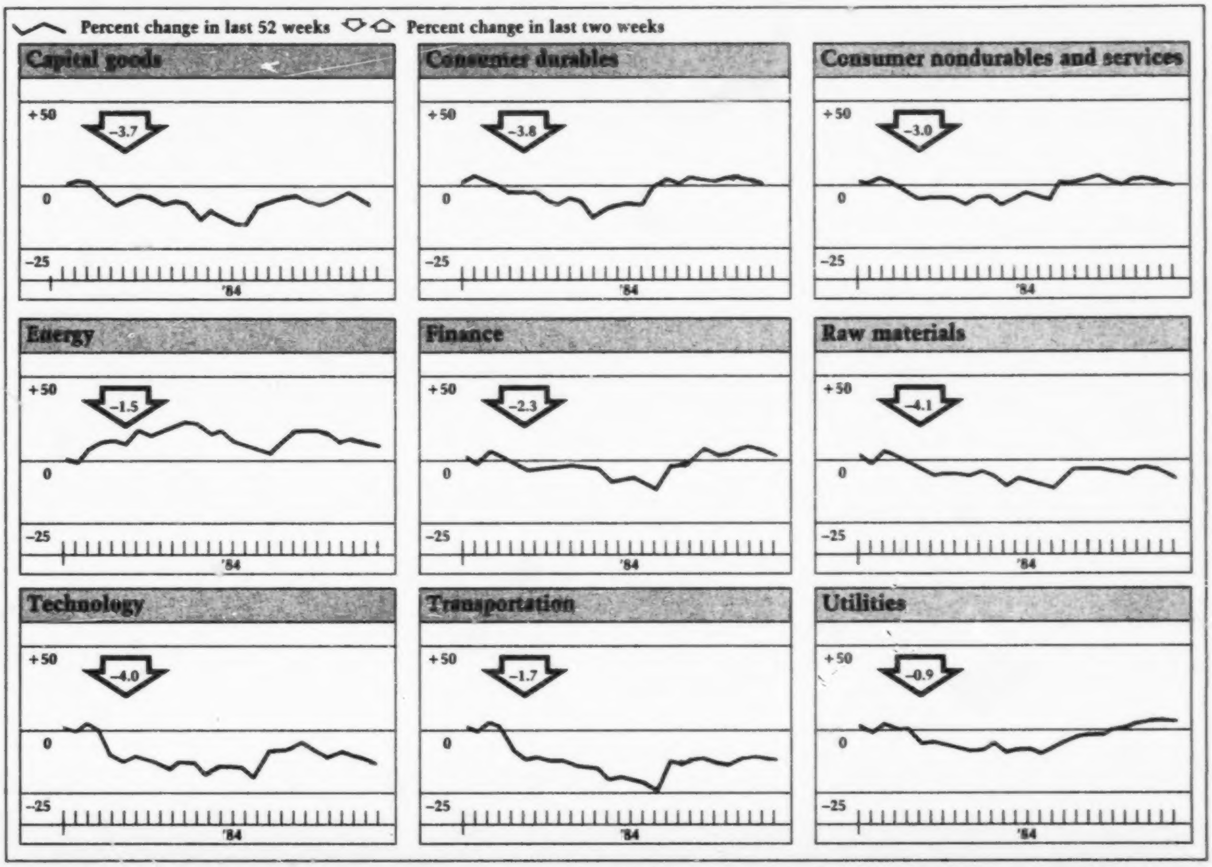
Note: All data for periods ending 12/7/84. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Aiken

Where The Action Is

Here we go again. Just when energy shares seem to be trading on the basis of depressed oil prices rather than merger speculation, along comes another blockbuster deal. This time, T. Boone Pickens is taking a shot at Phillips Petroleum. Although the latest round of takeover fever wasn't strong enough to help these stocks move into the advance column, the oils lost only 1.5% during the last two weeks. During the same period, the Wilshire index fell 2.8% and five of the nine Wilshire sectors chalked up losses of 3% or more. Raw materials suffered the sharpest setback, with a 4.1% decline.

Utility stocks are still performing better than the rest of the market, however. These issues are off 0.9% for the recent two-week stretch and 0.3% for the four-week period.



What The Analysts Think

Good news for widows and orphans. Utility stocks are the only group not hit by a decline in 1984 earnings estimates during the past two- and four-week periods. Elsewhere, the cuts were steepest in raw materials, consumer durables and technology—and these sectors led the market downward.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.14	10.6
1984 estimates	3.86	9.5
1985 estimates	4.43	7.6

Rank based on change in estimate	Sector	Estimated 1984 EPS	% change in 1984 estimate in 2 weeks	in 4 weeks
1	Utilities	$3.53	0.07%	0.18%
2	Transportation	2.45	-0.08	-1.28
3	Energy	2.59	-0.75	-1.27
4	Finance	3.21	-0.97	-1.53
5	Consumer nondurables	2.61	-0.98	-1.39
6	Capital goods	2.75	-0.99	-1.30
7	Technology	2.17	-1.06	-1.71
8	Consumer durables	3.39	-1.07	-1.47
9	Raw materials	2.52	-2.49	-3.89

Earnings projections are equal-weighted consensus estimates from over 1,800 security analysts. Forecasts for the 9 Wilshire sectors are limited to firms with 3 or more estimates, with a mean estimate greater than $0.50. Data are compiled and updated weekly by Zacks Investment Research, a Chicago-based quantitative consulting firm.

Note: All data for periods ending 12/7/84. Prepared by Wilshire Associates, Santa Monica, Calif.; Zacks Investment Research, Inc., Chicago, Ill.

JANUARY 14, 1985 THREE DOLLARS

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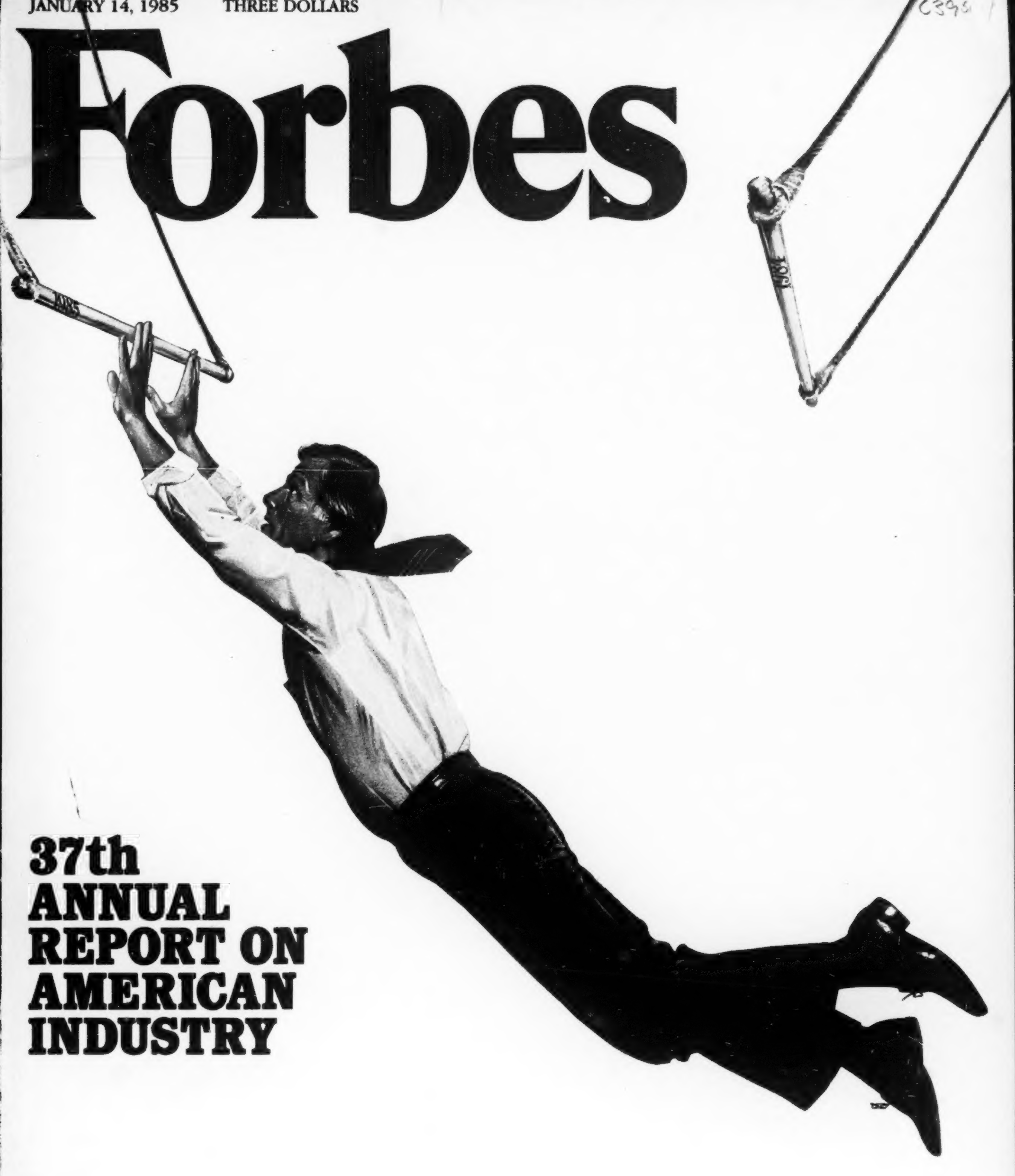

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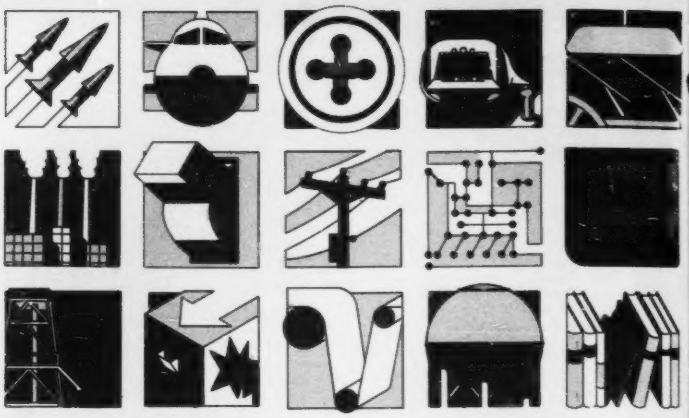

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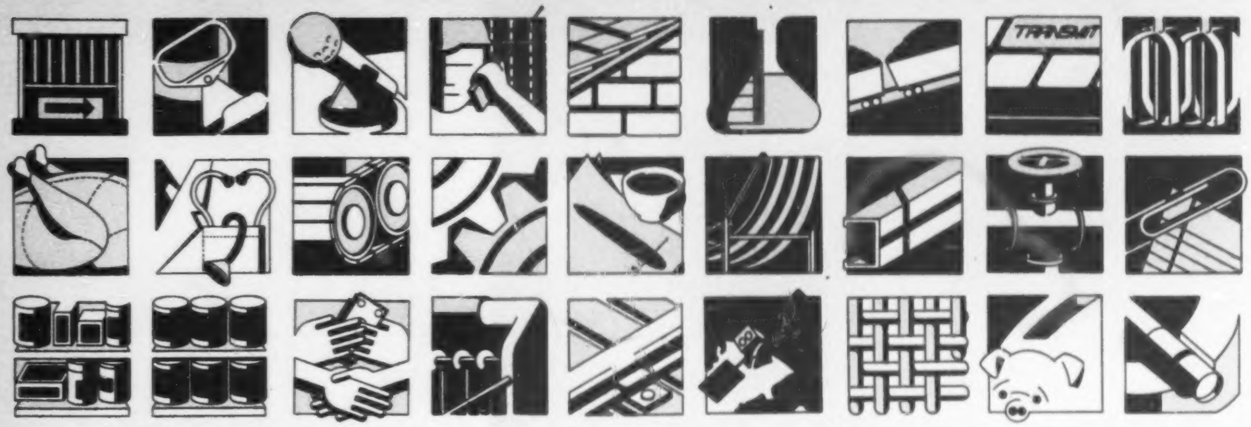

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January 14, 1985 Volume 135 Number 1 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.
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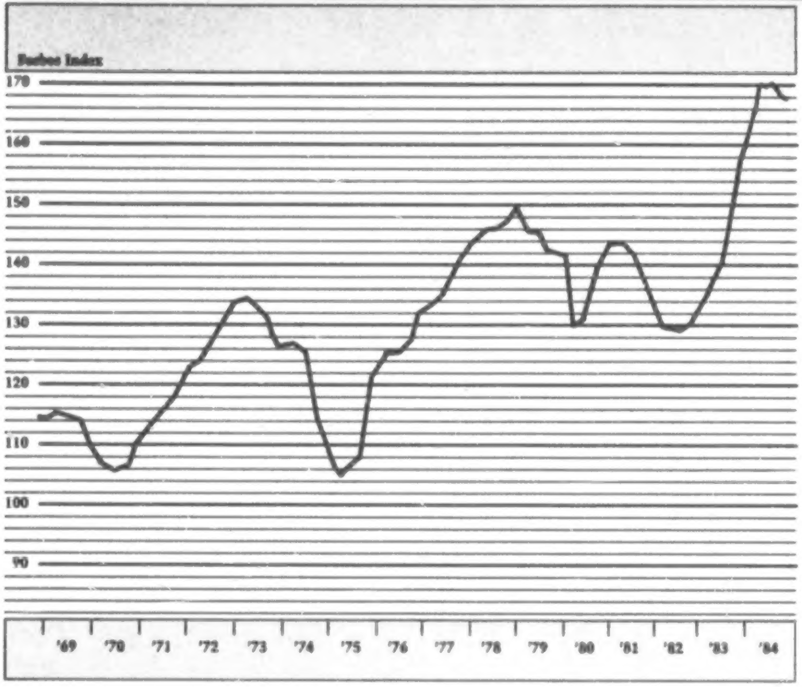
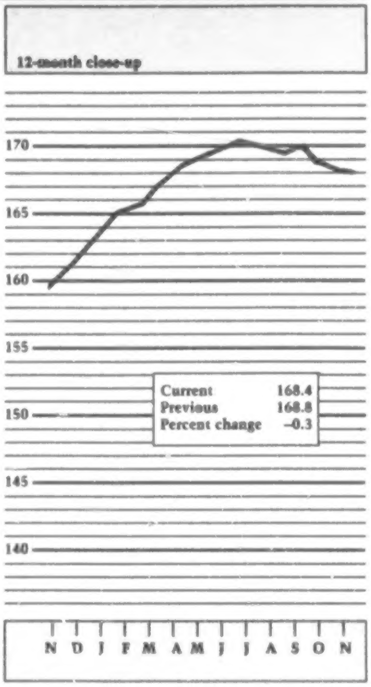
The Forbes Index





Current	168.4
Previous	168.8
Percent change	–0.3

Downhill coast. Since mid-October the Forbes Index has been trending downward, and in the current reporting period it slipped another 0.3%. A sharp decline in new housing starts did most of the damage in the Index. Housing starts fell 20.4% from October to November 1984 and now stand 10.7% lower than they did at the same time in 1983. The recent decline in interest rates, however, is good news for home builders.

Month-to-month figures for industrial production, meanwhile, rose by 0.4%. Other indicators are up, too—personal income by 0.8%, consumer installment credit by 1.4% and November retail sales by 1.8%. It is too soon to tell if the economy is cooling off or heading into a recession, so watch the Index closely over the next few months.

The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

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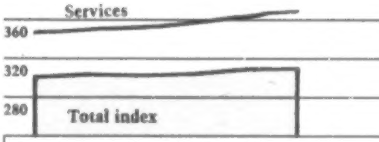
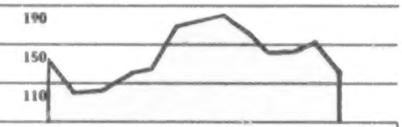
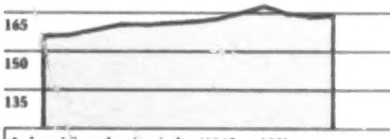


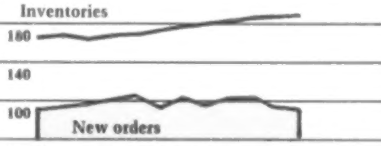
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



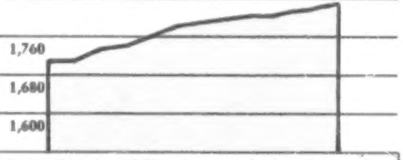
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



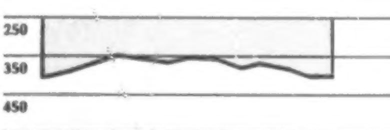
Industrial production index (1967 = 100)
Seasonally adjusted (Federal Reserve)



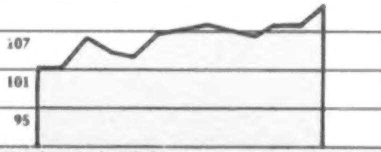
Manufacturers new orders and inventories
($billions) seasonally (Dept. of Commerce)



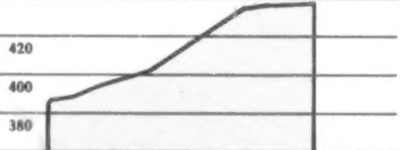
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

THE FORBES YARDSTICKS 1984

The 37th Forbes Annual Report on American Industry evaluates management performance at 1,000 of the nation's largest public companies. The familiar Yardsticks still rank these firms according to long-term profitability and measure their growth in sales and earnings. But there are some big changes this year: A new column in the tables indicates the percentage of corporate sales and profits that comes from each industry group, and two others compare latest 12-month sales and earnings performance against longer-term Yardstick results.

Last year was a time of remarkable change in the corporate world, and the composition of the Annual Report differs accordingly. Because of mergers, leveraged buyouts or shrinking sales, 53 of the firms in last year's issue are gone, including such familiar names as Esmark, Gulf and Royal Crown. Some of the replacements are new businesses spawned by spinoffs and divestiture, such as the seven telephone operating companies that were formerly part of AT&T.

Further additions include companies that recently reached the revenues threshold, currently about $450 million. The smallest newcomer this year is Cooper Tire & Rubber, which had sales of $458 million in 1983. Note also that a company remains in the Annual Report if its stock was publicly traded as of Nov. 15, 1984. That's why firms such as Pay 'n Save and Rolm are part of the rankings, even though they have subsequently been acquired.

Company classifications also have been revised this year. The Annual Report now includes 42 basic industry groups and 82 subgroups. One of the major changes involves the creation of a services group, which brings together companies that were formerly ranked elsewhere. Many new subgroups, such as hospital management and semiconductors, also reflect growing sectors of the economy. To reflect other kinds of change, some groups have been consolidated: Surface transportation, for example, now includes railroads and trucking companies.

As always, however, diversified companies are ranked according to their performance in as many as three industries. Thus IC Industries shows up in diversified companies, food processors and surface transportation. And ITT not only has a spot in diversified companies but also in telecommunications and insurance.

The industry groups appear alphabetically, following this introduction. The index that begins on page 263 is also helpful in cross-referencing specific companies. Notes that follow describe in detail how each of the Yardstick statistics is calculated.

SEGMENT SALES AND PROFIT

The numbers in this column indicate the percentage of a company's sales and profits that come from a particular industry segment. The column is blank whenever 90% or more of sales are within the segment.

Forbes' segment allocations are based on operating profit, before interest and other corporate expenses. This is the way most companies provide segment data. As a result, however, numbers in these columns may not add up to 100%. Also, these columns are not comparable with other columns in the Yardsticks, where calculations are based on net profit figures.

Use these numbers with caution. Line-of-business breakdowns at different companies may not be directly comparable. Forbes' segment definitions may also differ from company designations. Percentages are derived from a company's most recent annual report unless otherwise indicated.

PROFITABILITY

Return on equity is defined as net income divided by common shareholders' equity. For the purposes of these calculations, common shareholders' equity is defined as total shareholders' equity, including the stated value of all preferred stock at the beginning of each year. This figure, however, is adjusted by subtracting the involuntary liquidating value of preferred shares.

The effect of this adjustment is to reduce the equity base and to increase the reported return of firms—companies such as Allied Corp., General Cinema and MCI—that have considerable shares of preferred stock outstanding. In a few cases, the liquidation adjustment leaves a company with negative equity. That happened last year, for

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability

Where to find the Yardsticks

Growth rankings, p. 216
Stock market rankings, p. 232
Profitability rankings, p. 254
Industry median rankings, p. 260
Company index, p. 263

example, at MGM Grand Hotels.

In making return-on-equity calculations, Forbes defines *income* as net income after taxes, less dividend requirements for preferred stock, before extraordinary items. In the case of insurance companies, Forbes excludes realized capital gains. Unlike most financial reporting services, Forbes includes discontinued operations. This often serves to distort reported income and profitability—as was the case last year with Control Data. The company took a large writeoff when it stopped selling IBM-compatible disk drives.

TIME PERIODS

Computing an average of five annual time periods requires six fiscal years of data. For companies with fiscal years ending in April through December, *five-year averages* are based on the fiscal years through 1983. For companies with fiscal years ending in January through March, five-year averages include the fiscal years through 1984. When historical data are not comparable or are unavailable, fewer than five years are used for long-term averages; this is indicated by a footnote in the industry Yardstick.

Latest 12 months' comparisons relate the four quarters through September 1984—when available—with the same four quarters of the previous year. In the case of return on equity, income is divided by the prior year's equity figure. For companies with fiscal years not ending in December, time periods vary slightly.

GROWTH RATES

There are a variety of ways to calculate sales and earnings growth, and the method used in this issue is new this year. Statisticians call it the least-squares technique. Calculations are complex, but the number that results is an unusually accurate compound annual rate of growth for the five-year base period.

Note, however, that many of the Annual Report companies—especially those in cyclical groups like airlines and thrift institutions—have earnings growth rates that are reported as Not Meaningful. It is mathematically impossible to calculate a least-squares growth rate using negative numbers, so this happens whenever a company lost money in one of its most recent five fiscal years.

EARNINGS PREDICTABILITY

An example explains this best. Consider two companies, both of which earned $1 in 1978. Suppose the first posted steady annual gains of 12% or so and wound up earning $2 in 1983. At the second firm, however, earnings first dropped to 50 cents, then rose to $3, bobbed a bit in between, then settled at $2 in 1983.

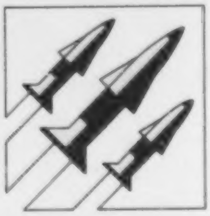
It is possible for both companies to have the same five-year earnings growth rate. But anyone who studies their performance will surely feel more confident that the first can hold its gains better. Forbes calls this confidence factor "earnings predictability," and derives it statistically from the per-share results for the six most recent fiscal years. These calculations involve a statistical technique called coefficient of determination, which measures how much earnings fluctuate from the five-year growth rate. Companies with predictability ratings in the top 20% are designated Very High, those in the next 20%, High, and so on down the line.

DEFINITIONS

For the purposes of this issue, Forbes defines *sales* as net sales plus other operating revenue. In the case of banks, sales is defined as total interest income plus other income. *Net profit margin* is calculated for the latest fiscal year. It is defined as net income divided by net sales, including other operating income. *Debt/equity ratio* is also calculated for the latest fiscal year. It is defined as long-term debt, including capitalized leases, divided by total equity, including preferred equity. *Earnings per share* is calculated on a primary basis.

Industry *medians* for all Yardstick components are calculated by listing companies in rank order and selecting the midpoint. Where there is an even number of companies, and thus no midpoint, an arithmetic average of the two middle companies is substituted.

AEROSPACE AND DEFENSE



With all the fretting over the budget deficit, a few curbs might be put on military spending. But even if that happens, these companies are still likely to do well.

THESE COMPANIES aren't growing quite as fast as they have in recent years. Of the 44 firms surveyed by FORBES, 28 show a lower return on equity for the most recent 12 months than their five-year average. Note, too, that this performance comes during an economic recovery and an increase in military spending. But everything is relative. Aerospace and defense ranks sixteenth among all industries in terms of long-term profitability. Last year it placed eighth. The sun isn't setting here.

Major defense contractors such as General Dynamics, Rockwell, Northrop and Grumman have little to complain about. Their latest 12-month return-on-equity figures are all in excess of 20%, as well as several percentage points above their five-year averages.

Lockheed leads the list with long-term profitability of 87.1%. Todd Shipyards, battling a decline in both earnings and shipbuilding, slipped to second place. Lockheed, however, is an unusual case. It is tops in five-year return on equity but shows a "not meaningful" five-year earnings growth rate—largely because of losses of over $1 billion on the L-1011. Large writeoffs in 1981 reduced equity by more than $200 million. With a smaller equity base and earnings no longer paralyzed by the L-1011, Lockheed, for the moment at least, looks highly profitable.

Roughly three-quarters of these companies show more than double-digit increases in their most recent 12-month earnings. Figures are lower for only three firms: Raytheon, Martin Marietta and Penn Central. Writeoffs are largely to blame at all three.

Commercial aircraft deliveries declined for the third

Aerospace and defense

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Lockheed		1	87.1%	38.3%	0.7	4.0%	17	12.2%	18.8%		NM	25.4%	NM
Todd Shipyards		2	33.0	17.7	0.4	3.5	20	11.5	−12.3	2	21.7%	12.4	high
EG&G	57/ 39	3	30.3	24.5	0.1	5.2	7	15.4	19.0	3	20.4	20.8	very high
Litton Industries	52/ 56	4	25.5	17.4	0.1	6.8	29	5.9	16.3		NM	35.3	NM
Fairchild Industries	72/ 67	5	24.6	8.9	0.4	3.2	16	12.5	−3.2	26	−8.1	39.4	low
Computer Sciences	65/NA	6	24.4	12.3	0.3	2.6	8	15.3	−3.2	21	−0.1	23.9	very low
Raytheon	55/NA	7	23.2	12.0	0.1	5.1	13	13.1	12.2	13	7.7	−23.6	high
Lear Siegler	37/ 35	8	22.9	17.0	0.6	4.4	34	4.6	42.7	20	1.2	25.1	very low
Boeing		9	22.2	25.0	0.1	3.2	18	11.8	−10.4	25	−4.1	117.5	very low
Sanders Associates	67/ 70	10	21.9	15.4	0.1	5.8	2	33.9	29.1	7	13.9	10.3	very high

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc., Forbes

year in a row in 1984, but the two remaining U.S. manufacturers—Boeing and McDonnell Douglas—show current profitability gains in excess of their long-term averages. Neither firm is currently spending billions for all-new aircraft development—hence last year's higher earnings on lower sales.

Manufacturers of general aviation equipment have not been so fortunate. Gates Learjet and Cessna Aircraft show sharply lower profitability performance over the last 12 months. Poor sales at Beech Aircraft are pulling down earnings at Raytheon. And Lear Siegler is scaling back Piper Aircraft, which it acquired in the process of taking over Bangor Punta early last year.

In contrast, Gulfstream Aerospace, which makes big-ticket corporate jets, so far has been more resilient in the general aviation turndown. Gulfstream recorded a slight improvement in its latest 12-month earnings. Barring a major economic setback or rise in fuel prices, the entire industry should pick up as more businesses and individuals turn to private aircraft to reach airports no longer serviced by scheduled carriers.

In 1975 the average debt-to-equity ratio of aerospace and defense firms was 0.4. But since 1980 it has hovered around 0.2. E-Systems, General Dynamics and Northrop all carry little or no debt. But even some of the big numbers are deceptive. Steel and financial services subsidiaries, for example, boost leverage at LTV and Avco.

Cash is also plentiful in this industry. Litton, for example, has over $1.3 billion in its till. Like the rest of the industry, it is well positioned to spend for R&D needed to stay competitive, invest in equity or fixed income instruments or make acquisitions. Some firms—such as Gould, FMC, EG&G and Penn Central—have been using their excess funds to buy back shares. Another possibility: Too much cash could make some of these firms acquisition targets. ■

Aerospace and defense

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Sundstrand	62/ 91	11	21.3%	11.9%	0.2	4.9%	33	4.7%	7.6%	24	–3.4%	31.7%	very low
Martin Marietta	66/ 79	12	21.3	def	0.7	3.6	4	18.1	34.8	16	3.9	P-D	low
Wyman-Gordon	55/NA	13	20.6	13.3	0.1	12.2	37	2.1	5.1	5	17.8	2.8	average
Morton Thiokol	36/ 31	14	20.5	19.4	0.2	5.5	10	13.7	13.3	4	19.8	23.6	average
E-Systems		15	20.1	24.8	0.0	6.7	3	20.9	0.0	1	24.3	14.7	high
General Dynamics	69/ 88	16	19.7	28.1	0.0	4.0	6	16.4	5.6		NM	46.1	NM
Rockwell Intl	72/ 79	17	18.7	21.2	0.1	4.8	28	6.9	15.1	8	12.0	29.0	high
Perkin-Elmer	30/ 33	18	18.0	13.9	0.1	5.6	15	12.8	18.2	15	5.2	52.7	low
Rohr Industries		19	17.9	26.0	0.2	6.2	12	13.3	7.9	9	11.1	33.7	very low
United Technologies	50/ 53	20	17.8	17.4	0.2	3.5	5	17.3	10.7	14	6.0	27.1	average
Harris Corp	31/ 38	21	17.4	12.0	0.3	4.0	14	13.1	37.0	23	–1.8	23.7	very low
Westinghouse Electric	17/NA	22	15.8	15.0	0.1	4.7	26	8.2	4.5	12	8.0	25.4	high
Northrop	65/ 42	23	15.5	26.2	0.0	3.1	11	13.4	12.7	33	–22.5	103.7	low
Gates Learjet		24	15.0	7.0	0.2	0.1	27	6.9	19.2	34	–36.4	500.0+	low
Kaman	48/ 71	25	14.7	18.4	0.4	2.7	20	11.5	19.6	10	10.5	39.8	high
LTV	24/PD	26	14.4	def	1.3	def	30	5.2	64.8		NM	D-D	NM
Honeywell	26/ 26	27	14.3	12.9	0.3	4.0	23	9.9	5.4	18	3.1	28.0	low
Hercules	25/ 33	28	14.2	15.8	0.3	6.6	31	5.1	6.0	22	–1.1	28.5	very low
Ex-Cell-O	38/ 85	29	14.0	11.8	0.1	5.2	32	4.8	15.0	17	3.4	5.9	low
McDonnell Douglas		30	13.4	15.3	0.0	3.4	9	13.9	14.1	11	8.9	23.7	average
FMC	37/ 47	31	13.1	15.6	0.2	4.8	35	3.1	4.9	19	2.5	46.1	average
Grumman		32	13.0	23.7	0.1	5.0	25	9.3	15.2	6	14.7	52.8	low
Signal Cos	43/ 62	33	12.6	10.4	0.1	1.7	22	10.1	7.0	32	–20.6	202.5	high
Textron	37/ 43	34	12.1	8.6	0.2	3.0	40	–2.4	9.6	27	–12.2	24.7	average
Sperry	29/ 26	35	11.2	10.0	0.3	4.4	36	2.9	3.5	29	–14.9	63.1	average
Gould	26/ 23	36	11.1	9.1	0.3	4.8	42	–7.0	15.0	30	–16.6	7.2	high
Avco	50/ 20	37	10.9	10.0	2.2	3.7	24	9.7	6.7	31	–19.0	58.9	high
Texas Instruments	26/PD	38	10.6	27.4	0.2	def	19	11.6	25.9		NM	D-P	NM
Cessna Aircraft		39	10.1	0.3	0.4	def	41	–6.0	32.3		NM	D-P	NM
Penn Central	35/ 29	40	9.1	1.9	0.2	0.8	1	34.6	0.4		NM	–52.1	NM
GenCorp	26/ 35	41	6.5	6.5	0.3	3.1	39	–1.1	11.8	28	–14.2	57.9	low
Singer	40/ 49	42	def	12.9	0.8	0.7	38	–0.2	2.5		NM	500.0+	NM
Talley Industries	31/ 45	43	def	15.5	0.4	2.9	43	–10.0	6.6		NM	45.3	NM
Gulfstream Aerospace			NA	29.2	0.2	9.2		NA	0.5		NA	1.8	NA
Medians			**15.8**	**15.2**	**0.2**	**4.0**		**10.1**	**11.3**		**–1.5**	**27.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: *Media General Financial Services, Inc.*; Forbes

AIR TRANSPORT

The healthiest airlines gained altitude during the economic recovery. And some carriers with less-than-perfect balance sheets managed to fly smoothly. But a few troubled companies crashed.

IT WAS ANOTHER YEAR of spectacular flip-flops in the skies. Boosted by a strong economy, the air transport industry racked up near-record earnings. But several carriers were not so fortunate. As a group, seven troubled companies in our roster collectively lost about $250 million in the first nine months of 1984.

There were also major changes during the period. Trans World Airlines was spun off from its prosperous parent, Trans World Corp. Continental Airlines, 84%-owned by Texas Air, filed for Chapter 11 reorganization, though it continued flying after cutting employee salaries in half. As a restructured low-cost carrier, Continental has generated surprisingly strong profits. Now it is emerging as a viable competitor.

Braniff International, once an industry leader, emerged from two years of bankruptcy greatly slimmed down. Unfortunately, it has been continuing to shrink ever since. Aggressive discounting by AMR's American Airlines, for one, has thwarted Braniff's attempted comeback. On another battlefront, selective fare wars by established carriers also contributed to the failure of Air One and Air Florida.

Despite significantly improved earnings at UAL, Delta, Piedmont and USAir, the passenger group has a paltry 1.6% average five-year return on equity. Six of these 14 airlines have negative five-year returns. Add in the 5

Air transport

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Freight													
Federal Express		1	37.7%	15.5%	0.6	8.0%	1	44.9%	43.8%	1	37.8%	–5.0%	very high
Emery Air Freight		2	28.4	26.2	0.7	3.8	4	8.8	27.8	3	–6.0	46.1	low
Purolator Courier	73/ 77	3	20.4	10.0	0.2	4.2	2	13.8	14.0	2	17.7	–39.6	high
Pittston	34/ 68	4	2.6	def	0.3	def	5	2.3	15.4		NM	D-D	NM
Tiger International	70/PD	5	def	def	8.2	def	3	13.0	15.5		NM	D-D	NM
Medians			20.4	10.0	0.6	3.8		13.0	15.5		–6.0	–39.6	
Passenger													
Piedmont Aviation		1	25.8%	19.3%	1.8	2.7%	3	29.1%	42.6%	1	6.2%	190.6%	very low
USAir Group		2	23.3	20.1	0.5	5.6	4	20.1	17.0	2	4.4	79.6	low
Frontier Holdings	89/NA	3	17.2	def	1.1	def	7	14.3	25.6		NM	D-D	NM
PSA		4	14.5	def	1.7	def	6	16.7	26.2		NM	D-D	NM
Delta Air Lines		5	7.8	23.2	0.6	4.1	8	12.8	18.5		NM	D-P	NM

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Sources: Media General Financial Services, Inc.; Forbes

freight forwarders, and the overall results are only slightly higher: Five-year average ROE is 2.9%. Once more, airlines rank close to last among the 42 industry groups in this survey.

But there is a bright spot in this Forbes Yardstick. Last year's results are far better than the negative five-year return the industry posted in 1983. As recently as 1980 these companies had a five-year return of 11.3%. Ah, for those fat years before deregulation.

The four top carriers in terms of five-year return are Piedmont, USAir, Frontier Holdings and PSA. Piedmont and USAir are now major airlines. They reached this status by catering to cities abandoned by the older majors. But none of these four managed to match its five-year profitability during the most recent 12 months. In fact, Frontier and PSA even ran at a loss during that time. This goes to show that outperforming the industry without attracting competition gets harder all the time.

Next in terms of overall profitability come the older major carriers—Delta, Northwest, AMR and UAL. Unlike their regional counterparts, these companies all managed significant improvement during the latest 12 months. But even these gains may not be permanent: Delta, which is rebounding from its first negative fiscal year in more than three decades, is boosting profits with aircraft sales. And AMR will soon offer service to new foreign destinations, which will raise its operating costs.

Eight of the airlines have shown double-digit increases in sales over the latest 12 months. That's important because there is a lot of operating leverage in this industry. Even a slight improvement in load factors can boost earnings sharply.

In today's environment, cost-cutting is a more common route to higher earnings. In 1984 Eastern Air Lines negotiated a pact with its employees, giving them 25% of the company's stock in exchange for $370 million in reduced labor charges. Other carriers, including Western, Piedmont and Republic, also gained important concessions from their employees.

Thanks to cheaper fuel, airlines still flying older jets are penalized less. That's why struggling carriers such as Republic have slowed the pace of replacing their fleets. But others—such as Pan Am, which worked out an attractive leasing arrangement with Airbus Industrie—are taking advantage of a soft market to modernize.

Long term, however, carrying freight seems to be a much better business than carrying people. Note that the 5 companies in this subgroup outshine the 14 airlines dramatically in long-term profitability. They fare better in almost every other category, too. What's more, the firms that haul packages instead of passengers required significantly less borrowed money. Their median debt/equity ratio is a mere 0.6, less than half that of the airlines.

The freight forwarders also are benefiting from the recovery—even though their median revenue growth is no better than that of the airlines. In profitability, however, Emery posted a 26.2% current return that almost matches its five-year average. But compare that with Federal Express, which fell far short of its impressive 37.7% average. Part of the problem: Federal is pouring money into its ZapMail document transmission service. Meanwhile, Tiger International is narrowing its losses.

For the moment, analysts expect that industry leaders such as Delta, American and UAL will post slight earnings gains in 1985. At the same time, the analysts see a future that is less bleak than the past has been for struggling carriers such as Pan Am, Eastern and Western. But all this assumes that the economy will continue to expand gradually. If that doesn't happen, hold on to your seats. As the low earnings-stability ratings indicate, this industry is unusually volatile.

Pay attention also to the Not Meaningful designations in this Yardstick. These crop up in the column that ranks earnings-per-share growth, and only 6 of the 19 firms in the Yardstick carry a figure for five-year growth. This is because of the industry's sorry record of losses. For FORBES to compute long-term earnings growth, a company must have steady profits on an annual basis between 1979 and 1983. Among the carriers, only Piedmont, USAir and Northwest pass that test. ■

Air transport

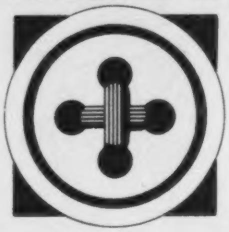
Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Northwest Airlines	82/NA	6	3.6%	11.5%	0.1	2.3%	5	19.8%	15.2%	3	–22.7%	163.5%	low
AMR		7	2.9	23.7	1.0	4.8	10	10.8	16.6		NM	166.5	NM
UAL	89/ 74	8	0.3	16.5	0.8	2.4	12	9.5	23.2		NM	44.7	NM
Trans World Airlines		9	def	6.3	1.5	def	14	5.2	8.0		NM	NA	NM
Pan Am Corp	78/DD	10	def	def	2.6	def	9	11.7	0.6		NM	D-D	NM
Eastern Air Lines		11	def	def	7.3	def	11	10.2	8.6		NM	D-D	NM
Western Air Lines		12	def	def	5.1	def	13	6.0	5.7		NM	D-D	NM
Texas Air		13	def	NE	NE	def	1	58.9	–17.4		NM	D-D	NM
Republic Airlines		14	def	NE	8.4	def	2	38.2	6.9		NM	D-P	NM
Medians			1.6	0.8	1.3	def		13.6	15.9		NM	D-D	
Industry medians			2.9	6.3	1.0	def		13.0	15.5		NM	D-D	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

APPAREL



Clothing manufacturers dropped a few stitches in 1984. Only 60% of the companies in this group beat their five-year profitability records. And unfortunately, the year ended a lot less stylishly than it began.

APPAREL MAKERS BEGAN 1984 decked out with double-digit gains in sales. But they ended the year looking considerably rumpled. Holiday retail sales were lower than expected, and, unfortunately, many stores had stockpiled fat inventories.

Still, the 12-month figures in this Yardstick reflect more good news than bad. That's because the downturn was deepest in the fourth quarter of 1984, a period the tables do not cover. In longer-term profitability, the industry ranks 20th among 42 industries in the Forbes Yardsticks in five-year median profitability. Quite an improvement from 1979, when this industry was close to the bottom.

The big jeansmakers continued to fade. The only two companies among the 14 in the clothing subgroup to report sales declines in the past 12 months were dungaree producers Levi Strauss and Blue Bell. Levi had a particularly bad year, with earnings per share off by over 50% for the 12-month period.

V.F. Corp., which makes the Lee brand, was an exception. It has aggressively introduced new products over the years, from "dress-up" jeans to fashionable sleepwear for women. Not coincidentally, V.F. has margins that are nearly triple the industry median, and it posted a return on equity of 30.9% for the past 12 months. There is also little debt on its balance sheet.

What's hurting the jeansmakers is contributing to gains by other manufacturers. Take Hartmarx, the men's clothing maker that changed its name from Hart Schaffner &

Apparel

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Clothing													
VF		1	28.0%	30.9%	0.1	10.8%	2	17.6%	7.3%	1	37.3%	7.6%	high
Melville	40/ 38	2	26.1	22.1	0.1	4.5	3	17.5	17.8	6	13.0	19.2	very high
Levi Strauss		3	24.1	8.7	0.2	7.1	6	9.1	–3.5	9	0.7	–50.1	very low
Warnaco		4	20.7	16.0	0.2	5.7	12	4.1	11.9	3	21.3	–1.5	very high
Palm Beach		5	18.1	16.1	0.8	2.9	4	15.3	1.5	11	–5.0	28.0	low
Oxford Industries		6	15.9	19.2	0.2	4.3	1	18.2	10.2	2	30.3	–10.7	high
Blue Bell		7	14.5	10.8	0.1	3.9	10	7.2	–4.4	12	–7.9	30.2	average
Interco	32/ 40	8	13.1	10.6	0.2	4.3	9	8.0	4.2	10	–1.7	21.5	very low
Hartmarx	44/ 63	9	12.5	15.2	0.4	3.9	5	10.3	12.7	4	16.7	20.7	very high
Cluett, Peabody		10	10.2	13.2	0.3	3.1	7	8.3	4.6	7	11.5	19.9	high

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Sources: Media General Financial Services, Inc.; Forbes

Marx in April. It posted its seventh consecutive record year of earnings and revenues in 1984. Why? The customers who fueled the jeans boom in the Sixties and Seventies have grown up, and they are wearing more costly, quality brand-name clothing—just what Hartmarx makes.

The number of professional men between 35 and 54, prime prospects for buying suits, will increase by 28% this decade. The same age group grew by only 4% in the 1970s. "The demographics that favored Levi then are in our favor in the 1980s," says Richard Hamilton, chief executive of Hartmarx. "These people have more money to spend, and it's coming out of Levi's hide and into ours."

Another beneficiary: Liz Claiborne, a company that doesn't make our list because its estimated $360 million sales last year fall below our threshold of $450 million in annual revenues. But Claiborne is the stellar performer in the apparel industry today. It dresses working women who have shed their jeans for moderately priced designer clothing to wear at the office. With no debt, its average return on equity over five years is more than two times that of our profit leader, V.F. Corp. A major reason for Claiborne's success is that 80% of its merchandise is imported from abroad, where it can be made more cheaply.

There was also considerable consolidation in the industry last year. Blue Bell and Puritan Fashions were taken private through leveraged buyouts. Phillips-Van Heusen is studying the possibility of a similar move. Jonathan Logan disappears from this year's table because it was acquired by United Merchants & Manufacturers, a textile manufacturer. Interco bought Abe Schrader Corp., a ladies' apparel maker. And Warnaco picked up Olga Co. to add to its own line of women's intimate apparel.

Most of these transactions were prompted by the fact that many apparel stocks underperformed the stock market averages during the past year, selling at or near book value. But some of these firms have hidden and understated assets, such as real estate or popular brand names, that don't show up on the books. Sharp investors and a company's own executives can see behind the numbers and often act accordingly.

With stock prices still down, more consolidation is likely. The fact that the industry probably won't see a quick recovery in 1985 might even spur such moves. "We are going through a very painful inventory correction, and that is clobbering apparel sales and earnings for most of these companies," says Jay Meltzer, a Goldman, Sachs analyst. "The first six months of 1985 will be pretty tough. I don't see anything spectacular for the new year." ■

Apparel

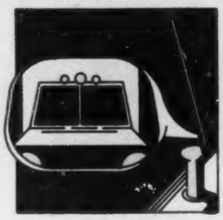
Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Phillips-Van Heusen	77/ 85	11	9.7%	13.5%	0.2	3.4%	8	8.1%	14.9%	5	14.7%	27.1%	average
Manhattan Industries	68/ 67	12	7.3	16.1	0.7	2.7	11	4.7	20.6		NM	51.3	NM
Kellwood	66/ 71	13	6.2	15.7	1.1	2.5	13	3.1	8.2	8	7.5	9.3	very low
United Merchants	60E/NA	14	def	9.6	0.8	2.0	14	–5.2	28.0		NM	D-P	NM
Medians			**13.8**	**15.5**	**0.2**	**3.9**		**8.2**	**9.2**		**9.5**	**19.9**	
Shoes													
NIKE	88/ 88	1	83.2%	10.0%	0.0	4.4%	1	65.5%	6.1%	1	69.6%	–56.1%	very high
Melville	34/ 34	2	26.1	22.1	0.1	4.5	2	17.5	17.8	4	13.0	19.2	very high
United States Shoe	49/ 52	3	21.3	16.0	0.1	5.0	3	12.0	16.5	2	20.0	–5.9	very high
Brown Group	30E/NA	4	17.6	17.1	0.2	4.5	4	8.4	6.1	3	15.4	6.3	very high
Genesco	32/ 28	5	def	52.4	1.1	2.5	5	–10.6	–5.2		NM	D-P	NM
Medians			**21.3**	**17.1**	**0.1**	**4.5**		**12.0**	**6.1**		**15.4**	**0.2**	
Industry medians			**15.2**	**15.9**	**0.2**	**4.1**		**8.4**	**7.8**		**12.3**	**14.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: *Media General Financial Services, Inc.*, *Forbes*

AUTOMOBILES AND TRUCKS



For this industry, the recovery began in 1983. Things got even better in 1984. But can there be three good years in a row?

"An automobile is once again becoming a fun thing—fun to drive and fun to own," says Harvey Lamm, chief executive of chart-topping Subaru of America. "For years we had to worry about nothing but fuel economy, emission standards and safety requirements. The concern was just putting something on the road. The sexy and sporty cars were gone. Now they're coming back, bigger and better than ever. It could bring a whole new era to the industry."

Whether this is idle, euphoric talk during a major recovery is open to question. It is clear, though, that the auto industry is coming back strong from the worst sales slump since the 1930s. Despite a walkout affecting production at General Motors, U.S. output of autos last year was expected to hit 7.9 million, 1 million above 1983's level.

The Forbes Yardsticks tell the story best. All but two of the nine companies in this group are outperforming their five-year return-on-equity averages. This reversal of fortunes is most evident for Detroit's Big Three. For the latest 12 months, General Motors recorded a return of 24%, three times its five-year average. Ford's 12-month return hit 39.3%, vs. a mere 1.3% over the five previous years, and Chrysler's latest return on equity of 85.1% shines particularly bright against its five-year deficit. Of course, that return is unusually high because of Chrysler's severely eroded equity base following five years of losses.

Rising consumer confidence, coupled with pent-up demand, put customers in showrooms throughout the year. "People overcame sticker shock and became more willing to look at cars as investments," says Arthur Davis, an analyst with Prescott, Ball & Turben. "Detroit could have sold 200,000 to 300,000 more cars if not for a shortage of inventory." Mighty GM, in the midst of a huge restructuring of product and plant, lost significant production during the year. By October GM's market share fell to 55%, from 61.6% in May. Slowed down by a strike, third-quarter output was only 925,000 cars, a 27% drop from first-quarter production.

Obviously, some of Detroit's overall gains in the past year could be traced to the "voluntary" limits placed on Japan's carmakers, which restrict imports to 1.85 million vehicles for the year ending in March. Those restrictions allowed Detroit comfortable profit margins on new product and permitted many Japanese car dealers to demand

Automobiles and trucks

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Subaru of America		1	59.8%	39.0%	0.2	4.7%	1	19.8%	8.1%	1	49.0%	21.0%	very high
PACCAR		2	15.1	18.0	0.0	2.7	7	–4.8	75.0	2	–19.6	249.7	high
General Motors		3	8.0	24.0	0.2	5.0	3	1.8	23.9		NM	91.0	NM
Fruehauf	41/ 14	4	4.9	17.0	1.0	0.4	6	–3.0	40.7		NM	D-P	NM
Ford Motor		5	1.3	39.3	0.4	4.2	4	–0.7	24.6		NM	244.5	NM
Mack Trucks		6	0.4	9.4	0.3	def	8	–7.0	61.2		NM	D-P	NM
Chrysler		7	def	85.1	0.8	2.3	5	–1.5	54.2		NM	351.2	NM
Intl Harvester	62/PD	8	def	NE	5.3	def	9	–13.3	–2.3		NM	D-D	NM
American Motors		9	def	10.2	3.1	def	2	2.7	25.4		NM	D-P	NM
Industry medians			**1.3**	**18.0**	**0.4**	**2.3**		**–1.5**	**25.4**		**NM**	**167.8**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

premiums above sticker prices.

These limitations have had little, if any, effect on Subaru of America, the U.S. distributor of Fuji Heavy Industries' Subaru vehicles, which again topped the chart by averaging a 59.8% return on equity over five years. The fact that Subaru isn't a manufacturer makes comparisons with U.S. firms misleading. But the stability of its growth is nonetheless remarkable.

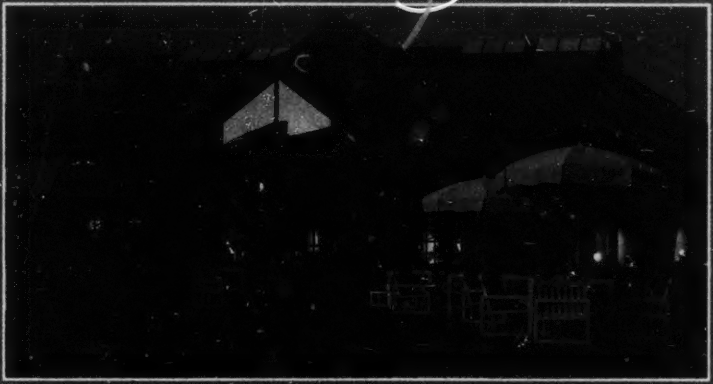
Truck manufacturers also came back with a vengeance last year. U.S. production of motor trucks was expected to reach 3.2 million, the strongest output since 1978. In this part of the industry, PACCAR, Inc. still reigns supreme. Its five-year return of 15.1% is more than three times the profitability of rival Fruehauf.

Debt-ridden International Harvester, the weakest of the truck builders, just finished its fifth year in the red. But the company sold its farm equipment business to Tenneco late last year and managed to turn a profit in its October quarter. Chief Executive David Lennox is now pinning his hopes on truck sales, which jumped 49% in fiscal 1984.

In Detroit, one of the boldest moves came when General Motors paid $2.5 billion to buy Electronic Data Systems Corp. Even though EDS' annual sales of $800 million add little to GM's estimated $87 billion in 1984 sales, the acquisition put GM into the information-processing business and could make the company an even tougher competitor in the future.

This year the Japanese import restrictions are set to expire at the end of March. Some analysts believe they will not be renewed despite Lee Iacocca's vigorous public lobbying effort to keep them intact. Nonetheless, Japanese carmakers are likely to exercise self-restraint rather than risk additional protectionist pressures. Davis figures Japan will ship no more than a 10% increase in 1985, allowing imports to raise their market share to 25.2%, from 23.5%—still well below their peak of 27.9% in 1982. Domestic production, he thinks, will rise 200,000, to 8.1 million.

Finally, note the string of Not Meaningful designations in this Yardstick. In order to calculate long-term earnings growth rates, FORBES requires five consecutive years of profitable annual performance. Only Subaru and PACCAR have met that test since 1979, which is why there is no earnings growth median for the industry. Subaru and PACCAR, of course, deserve special credit for remaining consistently profitable. ■



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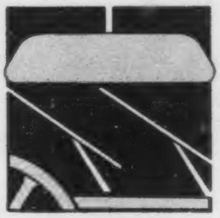
AUTOMOTIVE SUPPLIERS



It takes but the briefest of looks to see that these companies are making good money again. But how long will the boom times last? And will today's profits help soften the next fall?

FOR MOST OF THE 35 companies in this Yardstick, 1984 was a fast-paced year. Original equipment manufacturers—firms that sell directly to Detroit—were struggling to keep up with demand. Companies that build mostly replacement parts benefited from the relatively high age of cars on today's highways.

All of this seems particularly pleasant compared with unusually bad times in the not-too-distant past. Since the late Seventies parts builders have had mind-boggling problems: Many of the nation's automakers reduced production capacity and are operating at minimal, just-in-time inventory levels. In addition, manufacturers have been unusually tough about prices, often implementing unilateral cuts. All the while, technology is changing fast, and competition from foreign parts manufacturers continues to grow.

That's what makes the current good numbers so impressive. During the latest 12 months the median return on equity for these 35 auto suppliers was 16%, nearly six percentage points above the group's five-year average. Profitability gains were fairly widespread: Latest 12-month returns were higher than five-year averages for 23 of the 35 firms.

Only two companies do not show a double-digit increase in sales over the last 12 months: Johnson Controls and Champion Spark Plug. The best hike in sales, a gain of

Automotive suppliers

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Parts makers													
Allied Corp	23/ 16	1	35.4%	2.7%	0.4	0.6%	1	21.5%	19.3%		NM	–78.2%	NM
Lear Siegler	30/ 33	2	22.9	17.0	0.6	4.4	13	4.6	42.7	10	1.2%	25.1	very low
Snap-On Tools		3	22.4	22.3	0.1	9.5	7	7.3	18.1	8	2.3	51.1	low
Purolator Courier	26/ 22	4	20.4	10.0	0.2	4.2	4	13.8	14.0	1	17.7	–39.6	high
Genuine Parts	67/ 82	5	20.4	18.3	0.0	5.0	5	12.6	11.7	3	8.7	13.2	high
Rockwell Intl	14/ 7	6	18.7	21.2	0.1	4.8	8	6.9	15.1	2	12.0	29.0	high
TRW	29/ 27	7	18.4	16.3	0.2	3.7	9	6.7	10.3	12	–0.5	40.6	very low
Federal-Mogul	79/ 98	8	16.2	15.6	0.4	5.2	10	5.3	24.6	13	–3.0	26.0	low
Johnson Controls	37/ 46	9	15.7	16.6	0.3	4.5	3	14.4	7.7	7	3.2	12.9	low
PPG Industries	38/ 33	10	14.4	16.5	0.3	6.3	11	4.9	16.4	6	3.2	47.1	very low
Borg-Warner	29/ 38	11	14.1	14.0	0.2	5.2	6	7.8	14.6	4	5.4	16.9	average
Ex-Cell-O	29/ 17	12	14.0	11.8	0.1	5.2	12	4.8	15.0	5	3.4	5.9	low
Hoover Universal	35/ 31	13	13.4	18.0	0.5	4.2	14	3.8	10.2	11	–0.1	17.0	very low
Echlin		14	13.0	18.9	0.3	5.4	2	16.4	22.1	9	1.5	41.3	very low
Dana	81/ 97	15	12.1	16.0	0.3	3.8	17	2.6	33.2	15	–14.3	157.3	average

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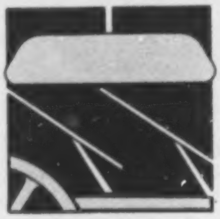
Sources: Media General Financial Services, Inc.; Forbes

more than 50%, comes at Allen Group, a leading manufacturer of diagnostic equipment and parts. Sales also increased by 30% or more at Arvin Industries, Cummins Engine, Eagle-Picher Industries, Eaton, Lear Siegler, Dana, Libbey-Owens-Ford and Sheller-Globe.

Many of these firms have bolstered finances, too. A decade ago the median debt-to-equity ratio for this industry was 0.5, but now it is down to 0.3. Unfortunately, however, improvement is hard to see in the five-year figures. Although the average automobile costs some 43% more than it did in 1980, the median sales increase for these companies since then is only 3.8%. In terms of earnings, the comparison is even more dismal, with a five-year decrease of 11.7%.

This year Allied Corp. beat out Lear Siegler for the top rank in terms of five-year return on equity. Allied has an impressive 35.4% return, but note that auto parts contribute a much bigger share of profits at Lear. Close behind Lear is Snap-On-Tools, with a 22.4% average five-year return. Unlike the two top performers, which derive 30% or less of their sales in the automotive area, Snap-On's entire existence is tied to the automobile.

Times were good last year even for companies caught in transition. What with smaller engines, electronic ignitions and fuel injection, the demand for spark plugs has slackened. But Champion Spark Plug still managed to increase sales by 8.8% and profits by 47.3% over the latest 12 months. Thanks to these gains, the company even managed to beat its five-year profitability average.



Then there's A.O. Smith, which trails the Yardstick in terms of five-year profitability. It has lost business as automakers phased out separate body frames. But cost-cutting, diversification and a temporary resurgence in demand for body-on-frame vehicles helped the firm post a sharp jump in earnings last year.

Tire and rubber companies have also improved on their long-term results, but they still have problems. While declining prices of petroleum-based raw materials and relatively stable labor costs have brought some relief, hard-nosed purchasing agents in Detroit have allowed original equipment manufacturers few, if any, price increases in the last two model years. Meanwhile, foreign tiremakers continue to gain market share.

Cooper Tire, which leads the subgroup in terms of long-term profitability, shows an average return on equity of 21% over the last half-decade. Armstrong Rubber and GenCorp posted average returns of under 7% for the period. Uniroyal, though at the bottom of the list, is looking healthier than it has in a long time. ■

Automotive suppliers

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Colt Industries	30/ 39	16	11.2%	28.0%	0.3	6.3%	28	–4.7%	22.3%		NM	72.1%	NM
Eagle-Picher	32/ 45	17	9.8	12.0	0.3	2.9	24	–0.3	32.1	16	–14.9%	121.8	high
Champion Spark	90/ 81	18	9.3	9.6	0.1	3.5	21	1.2	8.8	17	–16.0	47.3	high
Barnes Group		19	8.8	19.4	0.4	def	16	3.2	10.1		NM	D-P	NM
Arvin Industries	56/ 71	20	8.3	15.7	0.4	3.0	15	3.8	33.3	14	–9.1	114.1	low
Dayco	27/ 30	21	7.0	12.2	1.2	0.6	20	1.2	28.5	19	–37.6	500.0+	high
Sheller-Globe	83/ 87	22	7.0	17.9	0.6	2.7	26	–1.8	34.3		NM	93.3	NM
Libbey-Owens-Ford	40E/NA	23	6.8	16.7	0.3	3.5	23	0.1	45.0	18	–21.9	217.5	average
Cummins Engine		24	6.8	35.7	0.6	0.3	22	0.3	49.2		NM	D-P	NM
Allen Group		25	6.7	11.8	0.4	1.8	19	1.6	52.8		NM	D-P	NM
Eaton	46/ 74	26	6.5	23.5	0.4	3.5	27	–3.3	32.9		NM	D-P	NM
A O Smith	75/127	27	3.1	8.8	0.4	1.6	25	–0.5	15.5		NM	331.6	NM
NI Industries	39/ 53		NA	36.0	0.9	5.3	18	1.8	13.9		NM	46.3	NM
Medians			**13.0**	**16.6**	**0.3**	**4.0**		**3.8**	**18.7**		**–11.7**	**43.8**	
Tire and rubber													
Cooper Tire		1	21.0%	16.3%	0.2	4.7%	1	13.0%	19.3%	1	31.1%	–49.0%	high
Goodyear Tire	74/ 70	2	9.7	13.7	0.2	2.8	3	4.5	20.1	2	2.8	57.6	very low
Armstrong Rubber		3	6.7	13.6	0.3	3.0	2	11.3	11.9		NM	14.5	NM
GenCorp	45/ 31	4	6.5	6.5	0.3	3.1	5	–1.1	11.8	3	–14.2	57.9	low
B F Goodrich	43/ 65	5	4.5	6.3	0.6	0.6	4	3.2	11.4		NM	D-P	NM
Firestone Tire	73/ 89	6	2.9	8.1	0.3	2.6	6	–6.1	16.6		NM	20.3	NM
Uniroyal	45/ 48	7	0.2	13.5	0.5	2.6	7	–6.3	12.2		NM	194.0	NM
Medians			**6.5**	**13.5**	**0.3**	**2.8**		**3.2**	**12.2**		**NM**	**39.0**	
Industry medians			**10.5**	**16.0**	**0.3**	**3.5**		**3.8**	**16.6**		**–14.3**	**43.8**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

BANKS

Bad foreign debt hurt profits at the money center banks, and energy losses clobbered some of the regionals. But bankers who could avoid these problems often managed to post impressive gains.

LAST SEPTEMBER Todd Conover, Comptroller of the Currency, told the House Banking Committee that the federal government wouldn't allow any of the nation's 11 largest banks to fail. For smaller banks, of course, the story was different: When Conover spoke, 59 of them had already gone under in 1984—more than in any other year since the Depression.

"It was a time of facing reality for bankers," explains James Ehlen, an analyst with Goldman, Sachs. Even if the regulators won't allow any big banks to fail, for example, they are exacting a stiff price to keep them in business. Nearly all of Continental's directors were forced out. Bank of America and First Chicago are scrambling to meet tightened capital requirements.

Dwindling returns on equity at these three money center banks helped drag down the entire industry. None of these big-city lenders matched five-year profitability figures. Over the most recent 12 months, for example, their median return on equity was only 12%, vs. 13.5% for all 71 banks on the Forbes Yardstick.

This helped pull the entire sector down. In these difficult times, the only real stars were a handful of regional banks in the North and Southeast. They got a boost from strong local economies and minimal foreign exposure.

Among the big banks, Bankers Trust held on to its

Banks

Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					**Sales**			**Earnings per share**			
Company	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Multinational banks												
Bankers Trust New York	1	18.4%	17.1%	0.2	6.7%	8	16.5%	17.2%	1	19.1%	17.2%	high
J P Morgan	2	16.5	15.8	0.2	8.0	2	20.3	4.1	5	10.4	7.7	very high
Citicorp	3	15.7	15.2	2.1	5.0	4	18.0	15.9	4	10.5	–6.8	high
Bank of Boston	4	15.4	12.0	0.4	5.2	3	18.5	16.5	2	15.8	–16.3	very high
Chemical New York	5	15.1	14.5	0.3	6.2	7	16.6	15.4	3	14.7	9.5	very high
Irving Bank	6	15.0	12.5	0.4	5.0	5	17.4	10.6	7	8.3	9.2	average
Manufacturers Hanover	7	14.6	12.0	1.0	5.1	1	22.3	17.3	8	8.0	–14.2	very high
Chase Manhattan	8	14.4	10.8	0.5	5.0	9	15.6	10.1	6	9.5	–14.1	average
BankAmerica	9	13.4	6.4	0.5	2.9	11	14.9	4.6	10	–10.7	–18.3	average
Continental Illinois	10	11.9	def	0.7	2.3	6	16.7	–4.9	11	–15.1	P-D	low
First Chicago	11	9.6	3.3	0.3	5.0	10	15.4	14.9	9	5.9	–70.1	low
Medians		**15.0**	**12.0**	**0.4**	**5.0**		**16.7**	**14.9**		**9.5**	**–14.1**	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

number one slot in profitability. Over the past several years, Bankers has changed its strategy, dropping full-service operations to specialize in serving big commercial borrowers. The success is remarkable. Just four years ago Bankers ranked eighth among all New York banks on the Forbes profitability Yardstick.

Foreign loans, however, caused most of this subgroup's trouble. Whenever bankers weren't hammering out repayment schedules with officials of South American governments, they seemed to be trying to convince analysts and reporters that these problems really could be solved. At J.P. Morgan, for example, foreign exchange trading continues to be profitable and costs are well under control. But none of this could offset $433 million in nonaccrual loans outstanding in Argentina. Even Citibank's $900 million five-nation "default insurance" policy raised more questions than it answered.

Bankers in the Southeast could be particularly smug. There are 11 corporations in this subgroup. Thanks to strong local loan demand, nine of them have outperformed their five-year profitability averages. Even one of the two laggards shows promise. Sun Banks, which handed in a 12.7% return on equity last year, is completing a well-regarded merger.

It was a good year in the Northeast, too. The 18 firms in this subgroup topped the industry median in profitability for the most recent 12 months with a return on equity of 15.5%. They also beat their five-year average, though not as soundly as their southern counterparts.

Special strategies help some banks in this region. Take Republic New York, for example, which stays on top because of its five-year record of 23.6%, even though last

Banks

Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Northeast												
Republic New York	1	23.6%	15.4%	0.5	8.6%	1	34.6%	4.6%	2	19.5%	–0.5%	high
Midlantic Banks	2	21.6	18.0	0.3	9.5	5	24:7	42.3	4	17.9	0.0	very high
State Street Boston	3	19.3	19.6	0.3	8.7	11	21.1	4.1	1	40.5	–8.6	high
Fleet Financial Group	4	18.7	18.5	0.9	9.1	13	18.4	30.0	5	17.0	10.4	very high
Bank of New England	5	18.1	15.4	0.1	5.9	2	33.4	27.2	14	11.2	4.8	high
PNC Financial	6	16.5	17.3	0.5	9.6	10	21.2	14.6	6	15.5	9.8	very high
Norstar Bancorp	7	16.2	17.1	0.2	12.4	3	29.6	51.0	15	11.1	1.5	very high
CBT	8	16.0	14.1	0.2	6.6	9	22.2	32.7	9	14.2	0.6	high
First Natl State Bancorp	9	15.2	27.6	0.3	9.0	8	22.3	9.2	7	15.1	41.3	very high
BayBanks	10	15.1	13.5	0.1	6.9	12	18.6	20.4	12	11.8	3.2	high
Bank of New York	11	15.0	16.8	0.1	6.8	7	22.8	11.9	11	13.0	10.2	very high
CoreStates Financial	12	14.8	18.1	0.3	9.5	17	14.2	27.6	10	14.0	9.4	high
Maryland National	13	14.0	13.4	0.5	7.0	15	16.5	28.4	16	10.8	16.8	high
Mellon Bank	14	13.9	11.5	0.4	7.3	4	26.4	25.3	13	11.7	–13.2	very high
Fidelcor	15	12.8	15.6	0.4	8.9	16	16.3	33.2		NM	–17.3	NM
Shawmut	16	12.0	13.8	0.3	5.6	6	24.0	12.1	8	15.1	38.7	high
Marine Midland Banks	17	10.5	10.2	0.5	4.7	14	17.7	18.8	3	18.1	–0.6	very high
First Pennsylvania	18	def	def	0.6	def	18	–8.2	4.5		NM	D-D	NM
Medians		**15.1**	**15.5**	**0.3**	**7.9**		**21.7**	**22.9**		**14.1**	**2.4**	
Midwest												
Banc One	1	20.1%	19.4%	0.2	11.2%	1	33.6%	41.0%	1	12.9%	18.1%	very high
Mercantile Bancorp	2	15.7	13.3	0.4	7.9	11	14.6	7.9	3	8.1	7.5	high
Huntington Bancshares	3	14.4	15.4	0.2	4.4	2	25.2	14.7	5	3.0	43.6	low
First Bank System	4	14.4	11.7	0.4	6.7	4	20.7	20.2	4	5.6	–8.4	high
Norwest	5	13.3	5.1	1.3	5.4	3	21.8	12.9	11	–1.0	–48.6	very low
First Wisconsin	6	13.3	10.6	0.2	6.3	14	10.1	9.8	2	11.3	–7.6	high
National City	7	12.9	14.0	0.0	7.4	7	18.2	6.3	9	0.5	26.1	very low
Society	8	12.3	14.7	0.2	6.9	5	19.5	26.6	7	1.7	9.9	low
NBD Bancorp	9	11.7	11.0	0.1	7.1	10	15.5	12.2	6	2.8	11.3	low
Comerica	10	11.5	12.4	0.2	6.2	6	18.6	28.8	10	–0.9	8.5	very low
Centerre Bancorp	11	11.5	7.1	0.3	4.2	8	17.5	6.0	13	–5.7	0.0	low
AmeriTrust	12	10.5	10.5	0.0	8.9	15	8.6	10.8	8	0.5	14.3	very low
Manufacturers National	13	10.1	12.2	0.1	6.3	13	13.5	11.1	14	–6.3	6.2	very low
Northern Trust	14	9.9	5.4	0.3	2.7	9	15.7	6.1	12	–3.0	–13.7	very low
Michigan National	15	8.1	def	0.3	def	12	14.3	10.1		NM	P-D	NM
Medians		**12.3**	**11.7**	**0.2**	**6.3**		**17.5**	**11.1**		**0.5**	**7.5**	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

year's profitability was far less impressive. The problem? Its hallmark is aggressive trading, which makes the bank thrive during volatile times and languish when markets aren't in turmoil.

In the Midwest, by contrast, the mood among bankers was considerably darker. Only one-third of these 15 institutions outperformed five-year returns on equity, which led this subgroup to post the poorest performance of all. Michigan National earned a return on equity of 8.2% in 1983. But the firm, hit hard by the collapse of Penn Square Bank, lost money in the most recent 12 months.

In the West long-term performance still benefits from the late-Seventies boom. At that time, low-cost deposits yielded profits that were not sustainable after deregulation. Over the past 12 months, the subgroup fell two percentage points below its five-year profitability average. Only Seattle-based Rainier managed to beat its long-term return on equity.

Top-ranked Security Pacific was hurt by its agricultural loans, as well as by perhaps $30 million in bad loans to Argentina. In Arizona, second-ranked Valley National boosted its loan portfolio 18% by the first half of last year. But problem loans to farmers held profitability down.

When the oil and gas bubble burst, profitability at the banks in the Southwest also deflated. None of the seven banks in this subgroup matched five-year average profitability. Even Allied Bancshares, with a 28.7% five-year profitability that is the highest on the Forbes Yardstick, was affected. Energy loans account for 65% of its nonperforming assets. ■

Banks

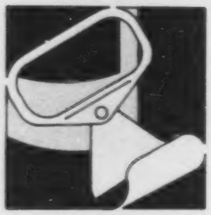
Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					**Sales**			**Earnings per share**			
Company	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Southeast												
Trust Co of Georgia	1	23.5%	26.1%	0.1	13.4%	6	21.0%	15.9%	2	27.0%	27.8%	very high
Barnett Banks of Fla	2	18.4	20.2	0.3	8.3	1	31.6	34.3	4	17.7	18.0	very high
First Union	3	18.0	19.0	0.3	8.9	4	25.4	22.7	9	11.8	15.7	high
First Atlanta	4	17.3	19.6	0.3	9.6	8	18.3	30.6	3	25.7	17.7	very high
Wachovia	5	17.0	19.3	0.0	10.8	7	20.6	13.8	6	15.1	22.8	high
NCNB	6	16.9	18.4	0.4	7.4	3	25.4	30.9	10	11.3	8.2	very high
United Virginia Bankshrs	7	16.8	16.9	0.2	9.1	10	17.2	16.3	7	14.9	6.9	very high
Citizens & Southern Ga	8	16.0	18.0	0.3	8.5	11	16.6	17.4	1	36.3	19.1	very high
Sovran Financial	9	15.8	17.2	0.2	8.0	9	17.3	9.6	5	16.5‡	5.8	high
Southeast Banking	10	15.5	12.3	0.3	6.3	5	21.6	18.3	11	5.8	4.1	average
Sun Banks	11	14.8	12.7	0.3	7.8	2	27.8	60.3	8	12.5	8.9	very high
Medians		**16.9**	**18.4**	**0.3**	**8.5**		**21.0**	**18.3**		**15.1**	**15.7**	
Southwest												
Allied Bancshares	1	28.7%	23.9%	0.2	12.6%	1	45.4%	34.4%	1	23.7%	11.2%	very high
Texas Commerce	2	21.6	17.9	0.1	10.6	3	27.4	19.8	2	20.0	2.6	very high
MCorp	3	20.3	15.4	0.3	9.0	2	32.7	23.1	3	13.9	–14.3	very high
RepublicBank	4	17.9	11.6	0.4	7.5	7	24.1	21.1	4	12.4	–25.4	high
First City Bancorp	5	16.6	5.2	0.1	3.1	4	26.6	14.9	6	–5.5	–53.9	very low
Texas American Bancshrs	6	15.9	12.0	0.4	6.6	6	26.1	16.4	5	7.5	–2.7	average
InterFirst	7	13.8	10.3	0.4	def	5	26.4	12.2		NM	D-P	NM
Medians		**17.9**	**12.0**	**0.3**	**7.5**		**26.6**	**19.8**		**12.4**	**–8.5**	
West												
Security Pacific	1	17.7%	15.8%	0.9	6.1%	1	20.8%	16.5%	1	10.5%	6.1%	very high
Valley National	2	16.6	12.6	0.1	5.6	2	19.1	14.6	6	1.1	12.8	very low
First Interstate Bancorp	3	16.3	13.5	0.7	5.7	4	17.9	12.6	2	4.1	7.3	average
U S Bancorp	4	15.7	11.6	0.4	8.0	7	15.6	12.8	5	2.2	14.1	low
First Security	5	14.5	2.6	0.5	4.1	9	13.9	9.5	7	–2.6	–82.3	very low
Wells Fargo	6	14.3	12.5	1.1	5.2	6	16.0	9.5	4	3.6	11.1	high
Rainier Bancorp	7	14.0	15.1	0.2	6.8	8	15.4	15.1	3	3.6	34.1	average
California First Bank	8	11.1	8.3	0.1	3.9	5	16.1	9.5	8	–14.3	–0.5	average
Crocker National	9	10.6	def	0.2	def	3	19.0	2.2		NM	P-D	NM
Medians		**14.5**	**12.5**	**0.4**	**5.6**		**16.1**	**12.6**		**2.2**	**7.3**	
Industry medians		**15.1**	**13.5**	**0.3**	**6.8**		**18.6**	**15.1**		**10.5**	**6.2**	
All-industry medians		**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

BEVERAGES



Americans are growing older and worrying about their weight. Good news for the makers of soft drinks. But maybe the folks who make the harder stuff ought to worry.

THE GRAYING OF AMERICA is a good news/bad news joke for the beverage industry.

It is good news for the soft drink producers. Worried about their weight, Americans are buying diet drinks in record numbers. When it comes to soda pop, for example, sugar-free products now account for 23% of all sales, and that percentage is increasing. So are soft drink sales, which are currently growing faster than their five-year average.

Now for the bad news, which saddens the makers of beer, wine and spirits. Sure, they faced flat revenues in 1982 and 1983. But demand actually fell during the first half of last year. The long-term trend is even grimmer. Twelve-month sales of alcoholic beverages are 45% below the group's five-year average.

These shifting fortunes stem from the same force: changing demographics. As people grow older, they drink less alcohol, and Americans are growing older. The nation's median age was 30 in 1980. It is now 31 and will

Beverages

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Alcoholic beverages													
G Heileman	89/ 95	1	31.9%	21.3%	0.4	5.0%	1	24.6%	8.0%	2	23.0%	–8.6%	very high
Brown-Forman	78/ 90	2	23.4	14.4	0.5	8.5	3	18.5	54.0	1	26.4	–23.5	very high
Anheuser-Busch	81/ 92	3	20.8	20.4	0.5	5.8	2	20.6	11.7	3	22.0	14.1	very high
McKesson	24/ 33	4	15.8	12.6	0.3	1.6	5	4.8	14.0	6	–3.2	–0.3	low
Seagram		5	14.0	13.9	0.3	17.8	6	2.8	3.5	4	18.3	52.1	high
Adolph Coors	85/ 96	6	9.1	5.9	0.0	8.0	4	10.7	5.6	5	1.9	–39.7	very low
Pabst Brewing			NA	def	2.2	0.5		NA	0.5		NA	NA	NA
Medians			**18.3**	**13.9**	**0.4**	**5.8**		**14.6**	**8.0**		**18.3**	**–4.5**	
Soft drinks													
MEI	81/ 87	1	28.9%	25.4%	1.0	6.2%	2	25.1%	19.4%	3	24.5%	15.5%	very high
General Cinema	56/ 60	2	28.9	87.8	0.5	10.6	4	9.6	3.7	1	34.6	–25.4	high
Allegheny Beverage	31/ 37	3	27.1	17.5	3.0	2.1	1	41.7	23.3	2	26.3	–4.0	very high
Coca-Cola	68/ 80	4	22.4	21.3	0.2	8.2	5	8.8	5.8	4	6.2	14.5	very high
PepsiCo	37/ 19	5	18.9	11.2	0.5	3.6	3	13.3	17.9	5	2.6	19.8	low
Medians			**27.1**	**21.3**	**0.5**	**6.2**		**13.3**	**17.9**		**24.5**	**14.5**	
Industry medians			**22.4**	**16.0**	**0.5**	**6.0**		**13.3**	**9.9**		**20.2**	**–0.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

BROADCASTING

The networks staged an impressive comeback in 1984. And local stations continued to be highly profitable. But the situation was embarrassingly different in cable.

LAST YEAR at this time, FORBES asked the question, "Have the networks hit bottom?" The answer was clearly yes. American Broadcasting Cos. picked up two percentage points, boosting its 12-month return on equity to 15.8%. RCA made a similar two-percentage-point improvement over 1983. And CBS picked up more than five percentage points, boosting its profitability to 16.5%.

This good news stems from strong demand for high-priced television advertising time. Despite the worries of industry analysts, the much-feared attack of cable on network profits has simply not developed. Cable may have brought the networks' percentage of prime-time viewers down to about 75% from 90% five years ago, but few advertisers take cable seriously yet. They still clamor to buy time on the networks.

Of the three networks only CBS managed to beat its long-term figures, with a 12-month return on equity of 16.5%, compared with 15.3% over the last five years. ABC saw its 12-month return on equity drop to 15.8% from a five-year average of 18.5%, and RCA slid marginally from a 10.8% five-year average to a 10.5% return last year.

Capital Cities Communications and Cox Communications continued to prove that owning television stations can be even more lucrative than broadcasting to them. Returns on sales of 15% for Capital Cities and 12.7% for Cox tower above any others on the broadcasting list. That makes these firms number one and number two in profit margin. Cox' achievement was all the more impressive in light of the fact that 55% of its sales came from its significantly less profitable cable operations.

Bringing up the rear are the two companies in the cable business. Time Inc.'s Home Box Office has faced hard times recently as programming expenses have outstripped the growth of its subscriber base. Storer Communications, the only firm on the list to show a loss last year, has also had difficulty keeping up with expenses. In its case, depreciation on its installed base outstripped earnings.

One worry ahead: what booming sales of videocassette recorders will do to TV ratings. Despite that cloud, broadcasting is still a wonderful business. In terms of long-term profitability, this industry ranks tenth among the 42 groups in this issue. ■

Broadcasting

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Capital Cities	39/ 54	1	22.7%	21.1%	0.3	15.0%	4	16.2%	22.4%	1	17.0%	25.0%	very high
Cox Comm		2	20.1	16.9	0.4	12.7	2	22.5	21.3	2	15.5	19.7	very high
Amer Broadcasting	88/105	3	18.5	15.8	0.1	5.4	5	10.2	29.5	3	1.3	27.4	low
CBS	52/ 70	4	15.3	16.5	0.2	4.2	6	5.6	15.9	4	–7.0	56.8	average
RCA	28/ 33	5	10.8	10.5	0.7	2.7	7	5.4	10.9		NM	29.8	NM
Storer Comm		6	8.4	def	2.3	def	1	26.9	17.3		NM	D-D	NM
Time Inc	40/ 62		NA	23.0	0.5	4.3	3	17.0‡	13.6		NA	76.6	NA
Medians			16.9	16.5	0.4	4.3		16.2	17.3		–7.0	27.4	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡Four-year growth. For further explanation, see p. 46.

Source: Media General Financial Services, Inc.; Forbes

BUILDERS

Marketing costs are beginning to squeeze the earnings of the nation's home builders. And that throws a monkey wrench into what should have been a major improvement in the housing cycle.

HOUSING CYCLES AREN'T what they used to be. Sure, new home construction increased from 1983, which was an unexpectedly good year. Interest rates are down. Pent-up demand, created by the recession in 1981 and 1982, is still fueling the industry.

All this sounds great, and it explains why sales of new houses last year were eight times the level of five years ago. But home builders managed only to equal their five-year return on equity, even though they did reduce debt. While median revenues at the eight firms in the residential construction subgroup are up by 16.1%, earnings are down slightly.

Commercial builders, unfortunately, fared far worse. Over the past five years the 13 firms in this subgroup have been far more profitable than their residential counterparts. But that certainly wasn't true in 1984. The median return on equity at the big contracting firms was barely half their five-year average—a sorry 9.3%.

A closer look at the Yardstick reveals that times are unusually tough for these companies. While most of the 1,000 rated in this issue posted revenue gains of more than 10% last year, volume at commercial builders was down by nearly 6%. The earnings decline was even steeper: more than 25%.

The strong dollar is a major factor in the decline. Nearly all of these firms do substantial work abroad, and pay-

Builders

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Commercial													
Turner Construction		1	25.2%	24.2%	0.1	0.7%	6	14.8%	–9.9%	1	28.8%	3.5%	very high
Foster Wheeler	50/ 9	2	21.1	9.1	0.1	2.9	13	0.5	–13.7	9	2.0	–33.1	very low
Blount	76/ 82	3	21.0	23.5	0.3	2.7	8	13.7	9.2	4	13.2	32.1	average
CBI Industries		4	19.3	9.3	0.0	5.0	7	14.1	–26.9	7	4.2	–25.7	very low
Fluor	77/ 76	5	19.2	def	0.4	0.5	3	17.0	–18.7	10	–19.3	P-D	low
Centex	37/ 11	6	18.7	12.2	0.2	4.3	11	3.9	17.1	8	3.9	1.2	very low
ENSERCH	23/ 12	7	18.2	6.5	0.8	2.2	4	16.9	–0.8	6	5.2	–30.5	very low
Fischbach		8	16.8	7.6	0.3	2.0	5	15.7	–19.9	3	18.1	–52.6	very high
Dynalectron	56/ 32	9	16.8	9.6	0.2	1.9	9	11.9	20.6		NM	–8.4	NM
Morrison-Knudsen		10	16.6	13.0	0.2	1.9	1	19.9	–5.8	5	9.4	7.5	very high
Signal Cos	44/ 39	11	12.6	10.4	0.1	1.7	10	10.1	7.0	11	–20.6	202.5	high
Perini		12	12.6	7.8	0.2	1.1	2	17.5	–6.1	2	28.4	–42.0	average
Dravo	44/ DD	13	3.9	def	0.3	def	12	1.8	–1.3		NM	D-D	NM
Medians			**18.2**	**9.3**	**0.2**	**1.9**		**14.1**	**–5.8**		**4.2**	**–25.7**	

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Sources: *Media General Financial Services, Inc.; Forbes* ments in foreign currency are worth less as the dollar rises. The currency differential also makes the cost of new contracts with U.S. firms more expensive. At Fluor, for example, the squeeze is so tight that management has arranged sale/leaseback of corporate headquarters to help reduce debt. And at Blount and Signal, the good numbers are deceptive: Blount just completed a major Saudi contract and now has a thin backlog. Signal's turnaround stems largely from its aerospace business.

Several of the other commercial builders serve special markets—with their own special problems. CBI, for example, was hurt by the slowdown in the oil service industry. ENSERCH builds power plants, another stalled business. Perini, meanwhile, spun off its profitable real estate property to shareholders, and Fischbach's management has been tied up with antitrust litigation.

When it comes to new residential construction, one problem affects nearly all builders: In much of the country there are simply more houses than people want to buy.

The Sunbelt is a good example. Here there is a virtual glut in multifamily housing, such as apartment and condominium complexes. In addition, builders like U.S. Home and Pulte used to grow by knocking out the little guys in cities such as Houston, Dallas and Atlanta. Now they're going head to head. Even though this is bad for business, it's good for home buyers. Builders often subsidize mortgages and throw in extras to move products.

Jonathan Goldfarb, construction analyst for Merrill Lynch, confirms what the Yardsticks show. "In this very price-sensitive environment," he explains, "it is hard to raise prices to cover increased marketing costs. This has greatly restrained profitability."

That's an understatement. Pulte Home, the leader in the home building category for the second straight year, saw its earnings cut in half. Ryan Homes, which traditionally builds east of the Mississippi, moved into the hotly competitive Houston market, and earnings fell 24%.

The nation's largest residential builder, U.S. Home, also had problems in its native Texas. The company, which averaged a 14% return on equity from 1979 to 1983, lost money last year. The signs of trouble were apparent as early as July, when management auctioned 109 Houston homes to cut carrying costs. The first 53 went for $24,000 to $100,000, far less than the original selling prices of $40,000 to $150,000.

Along with Skyline and Kaufman & Broad, U.S. Home has also been hurt by intense competition in manufactured housing, the industry's term for prefabricated homes. Even though Fleetwood seems to be bucking this trend, don't be too sure. Most of its current gains stem from an improvement in demand for recreational vehicles, rather than prefab homes.

The outlook for 1985? The National Association of Home Builders thinks housing starts will fall about 12% and interest rates will rise in 1985. Traditionally, the more a mortgage costs, the fewer new houses people buy.

But interest rates, which have always been the main determinant of the pace of new construction, may become less significant. The growth of the secondary mortgage market, which packages securities for sale to investors, makes it easier to get a home loan even in tough times.

Also, adjustable-rate mortgages now account for 60% of all financing, and they make selling a house easier when interest rates are high. In the early years, the interest rate on these loans is usually below that of fixed-rate financing. Heightened competition, meanwhile, has builders often absorbing mortgage costs, and some state and local governments are also issuing tax-free bonds and using the proceeds to offer below-market-rate mortgages.

"I'm not sure everybody appreciates how pervasive these new financing forms have become," says Goldfarb. "I suspect that many outsiders will be surprised at how few new buyers are paying the full mortgage rate you see quoted in the newspapers."

All of this may eliminate some of the boom and bust from the housing cycles, but it does nothing to eliminate competition. ■

Builders

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Residential													
Pulte Home		1	35.9%	17.6%	0.2	5.7%	1	28.8%	15.1%	1	27.3%	–51.1%	average
Centex	46/ 55	2	18.7	12.2	0.2	4.3	3	3.9	17.1	2	3.9	1.2	very low
U S Home		3	14.1	def	0.7	2.4	2	6.1	1.9	5	–21.3	P-D	low
Ryan Homes		4	12.8	10.6	0.1	3.[illegible]	4	3.5	3.6	3	–14.5	–23.9	low
Fleetwood Enter	36/ 12	5	10.4	31.8	0.0	4.5	6	0.3	37.2		NM	36.9	NM
Skyline	65/DP	6	7.1	6.6	0.0	2.1	8	–8.2	18.3	4	–16.3	–1.4	average
Del E Webb	38/ 4	7	4.5	12.0	0.7	1.9	7	–8.2	47.4	6	–21.5	305.4	average
Kaufman & Broad	60/ 63	8	3.5	11.1	0.5	3.9	5	0.9	14.2		NM	500.0+	NM
Medians			**11.6**	**11.6**	**0.2**	**3.7**		**2.2**	**16.1**		**–18.8**	**–0.1**	
Industry medians			**16.7**	**10.0**	**0.2**	**2.1**		**11.0**	**2.8**		**–6.2**	**–16.2**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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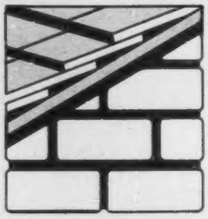
Sources: Media General Financial Services, Inc.; Forbes

BUILDING MATERIALS



What is good for the economy is usually even better for construction companies and the folks who supply them. But that volatility works on the downside, too. So if the recovery fades. . . .

THE ECONOMY was growing rapidly in early 1984, which meant that business was great for most of these companies. All but one of the building materials subgroups exceeded both their five-year sales and earnings averages, with the cement and gypsum and lumber companies showing dramatic gains. Net profit margins were up slightly and debt fell. Profitability was the only weak comparison: The 12-month median of 8.9% is just below the long-term average of 9.8%.

The big question, of course, is how the group will do this year. There was some good news recently when the Commerce Department reported that construction spending rose in October for the first time since May. But remember that this is a cyclical industry. Since last year was so good, many economists doubt that builders will be able to top it during the next 12 months. Some highlights from 1984:

Other materials: H.H. Robertson, which led the group last year, falls to fifth place. Its 12-month profitability is less than half its five-year average. Weakness in foreign markets is part of its problem. Glassmaker Guardian Indus-

Building materials

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Cement and gypsum													
U S Gypsum	52/ 85	1	13.5%	23.6%	0.2	5.0%	5	0.8%	41.3%	1	–13.1%	160.4%	average
Moore McCormack	52/ 48	2	11.6	4.1	1.0	2.1	4	2.1	30.9	3	–26.3	176.8	low
National Gypsum	52/ 84	3	10.9	19.1	0.3	4.4	3	2.4	50.6	2	–16.6	174.9	average
Lone Star Inds	78/ 44	4	9.5	6.8	0.7	1.9	6	-1.6	8.1		NM	D-P	NM
Gifford-Hill		5	8.9	7.4	1.0	0.9	2	2.4	12.5	4	–47.0	500.0	high
Ideal Basic Inds	82/DD	6	7.7	def	1.1	def	7	–1.8	5.8		NM	D-D	NM
Lafarge		7	3.1	def	0.9	def	1	15.0	2.5		NM	D-D	NM
Medians			**9.5**	**6.8**	**0.9**	**1.9**		**2.1**	**12.5**		**–47.0**	**167.7**	
Lumber													
Weyerhaeuser	53/ 64	1	10.9%	8.5%	0.4	4.2%	4	3.1%	16.5%	1	–23.0%	72.9%	high
Willamette Inds	34/ 11	2	9.9	12.1	0.7	2.1	2	5.3	12.9	3	–31.5	118.6	high
Georgia-Pacific	61/ 69	3	9.2	11.1	0.7	1.6	1	6.2	12.6	2	–28.2	500.0+	high
Boise Cascade	35/ 7	4	8.4	7.5	0.4	1.8	3	4.4	16.5	5	–34.2	110.3	average
Champion Intl	40/ 33	5	8.3	7.4	0.6	1.9	5	3.1	9.6	4	–32.3	119.4	high
Louisiana-Pacific	85/130	6	6.8	6.5	0.2	2.5	6	–3.0	20.2		NM	150.0	NM
Medians			**8.8**	**8.0**	**0.5**	**2.0**		**3.8**	**14.7**		**–31.9**	**119.0**	

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Sources: Media General Financial Services, Inc.; Forbes

tries, new to the top of the list, also had troubles: Its sales grew almost twice as fast as earnings, and return on equity was well below long-term levels. American Standard, meanwhile, acquired Trane Co., which makes its 12-month earnings and sales growth look impressive. Earnings were also boosted as a result of American Standard's decision to sell off its moneylosing construction and mining equipment division.

Lumber: Weyerhaeuser and Willamette Industries switched places for first and second in the Yardsticks. Weyerhaeuser moved up primarily on the strength of its pulp, paper and packaging products. Boise Cascade also showed substantial gains. Its earnings through June were more than double the results for the first six months of 1983. Significant improvement at the company's paper group was the main reason for the gain.

Cement and gypsum: U.S. Gypsum, Moore McCormack and National Gypsum finished one, two and three, respectively—the same order as last year. U.S. Gypsum, which receives about a third of its sales from new home construction, was helped by the housing boom. Lone Star Industries, the largest U.S. producer of cement, concrete, sand and gravel, moved from last place to fourth, primarily because of increased residential construction and price rises.

Equipment: Elevator maker Dover Corp. leads for the fifth consecutive year and shows no signs of slowing down. Its 12-month sales and earnings top its five-year averages, and net profit margins increased slightly. ■

Building materials

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Other materials													
Guardian Inds	60/ 77	1	24.2%	18.7%	0.8	8.1%	1	17.4%	13.4%	2	16.0%	7.3%	very high
Trinity Inds	68/ 41	2	23.6	def	0.5	1.2	10	3.8	2.9	14	–13.5	P-D	very low
Masco	47/ 61	3	20.4	17.0	0.5	10.1	3	10.8	6.9	4	8.7	22.2	high
Vulcan Materials	42/ 85	4	19.2	17.2	0.2	6.6	11	3.1	26.8	8	–0.1	78.3	very low
H H Robertson	81/ 76	5	19.0	8.5	0.1	3.1	4	8.1	3.1	3	10.7	–30.7	low
American Standard	33/ 52	6	18.4	14.0	0.6	2.9	20	–0.9	50.7	17	–17.1	30.9	average
Insilco	27/ 19	7	15.6	12.9	0.4	5.1	5	7.0	18.3	9	–2.3	1.6	very low
PPG Industries	30/ 40	8	14.4	16.5	0.3	6.3	9	4.9	16.4	6	3.2	47.1	very low
U S Gypsum	36/ 14	9	13.5	23.6	0.2	5.0	18	0.8	41.3	13	–13.1	160.4	average
Harsco	25/ 2	10	13.3	10.0	0.3	3.3	17	1.0	17.7	11	–9.2	38.9	low
Amsted Inds	41/PD	11	13.1	6.8	0.0	def	25	–7.8	27.8		NM	D-P	NM
Ceco Industries		12	12.3	8.1	0.2	2.5	8	5.3	21.3	7	1.6	–8.4	very low
Sherwin-Williams	28/ 66	13	11.8	17.1	0.5	2.8	2	13.0	5.4	1	55.7	24.4	very high
DeSoto	81/ 80	14	11.0	15.2	0.1	5.3	19	0.7	14.0	5	4.9	18.5	low
National Gypsum	48/ 15	15	10.9	19.1	0.3	4.4	13	2.4	50.6	16	–16.6	174.9	average
SCM	33/ 45	16	9.8	9.3	0.5	2.1	14	2.0	20.6	12	–10.2	205.0	low
Owens-Corning	75/ 59	17	9.3	14.8	0.3	2.9	7	6.3	12.8	15	–16.2	68.7	average
Temple-Inland	25/ 40	18	8.8†	12.8	0.3	4.1	6	6.8‡	7.2		NA	NA	NA
Jim Walter	45/ 14	19	8.7	13.4	1.5	3.5	12	2.9	11.5	18	–27.8	37.3	low
Armstrong World	75/ 77	20	8.6	14.2	0.1	4.4	15	2.0	10.6	10	–8.8	63.7	low
Koppers	33/ 62	21	5.8	5.6	0.4	1.6	21	–1.2	19.9		NM	D-P	NM
Manville	88/ 88	22	2.6	4.4	0.5	3.9	23	–1.6	0.0		NM	D-P	NM
Crane		23	2.4	def	0.8	def	26	–8.9	5.0		NM	D-D	NM
CertainTeed		24	1.1	8.4	0.3	3.2	16	1.4	18.6		NM	24.3	NM
Southwest Forest	37/DP	25	0.8	0.7	1.3	def	22	–1.3	22.3		NM	D-P	NM
GAF	53/DP	26	def	def	0.5	def	27	–11.0	8.9		NM	D-D	NM
Bird	79/56	27	def	def	0.6	0.4	24	–5.4	10.8		NM	D-D	NM
Medians			**11.0**	**12.8**	**0.4**	**3.2**		**2.0**	**14.0**		**–13.5**	**24.4**	
Equipment													
Dover	40/ 37	1	25.0%	19.9%	0.1	7.7%	2	14.7%	19.5%	1	13.3%	33.3%	average
United Tech	26/ 29	2	17.8	17.4	0.2	3.5	1	17.3	10.7	2	6.0	27.1	average
Scovill	39/ 42	3	10.5	13.8	0.4	3.4	4	–3.1	18.1		NM	26.5	NM
Butler Mfg		4	8.5	def	0.3	def	3	–2.4	10.8		NM	D-D	NM
Medians			**14.1**	**15.6**	**0.2**	**3.4**		**6.2**	**14.5**		**NM**	**26.8**	
Industry medians			**9.8**	**8.9**	**0.4**	**2.8**		**2.4**	**13.2**		**–27.1**	**32.1**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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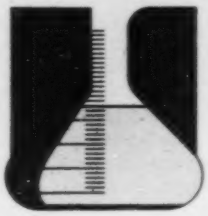
Sources: Media General Financial Services, Inc., Forbes

CHEMICALS



For the second year in a row, these companies followed a well-mixed formula for recovery. Now operating earnings are up 40%, but it may take a magic potion to keep the growth from slowing.

How to characterize the industry's 1984? Robert Powell, chairman of Reichhold Chemicals, sums up the year best: "It was a better year than 1983, but certainly not one that everyone is boasting about."

So true. Chemicals rank 25th among the 42 Yardsticks, with median five-year return on equity of 14.1%. In the past 12 months the group couldn't match that performance. Profitability fell to 13% and seems part of a broader trend. Back in 1979 the chemical industry ranked 9th among all groups in terms of long-term profitability.

Nonetheless, most chemical industry executives, like Powell, viewed 1984 as a good year, even if they aren't bragging. Only 10 of the 45 U.S. chemical producers in our roster failed to post gains in earnings per share in the past year. Among diversified companies, those increases averaged 45.9%. Specialized chemicals, meantime, average a 23.7% median rise in earnings per share.

Allied Corp.'s appearance as the profitability leader deserves some explanation. In 1979 Allied issued preferred stock with a mandatory liquidation so big that the company's equity base was virtually wiped out, according to Forbes' strict definitions. All this caused the firm's return to rise artificially. On a 12-month basis Allied is one of the industry's weakest performers.

Chemicals

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Diversified													
Allied Corp	23/ 17	1	35.4%	2.7%	0.4	0.6%	2	21.5%	19.3%		NM	–78.2%	NM
Rohm & Haas		2	14.7	19.4	0.3	7.3	6	7.5	10.7	1	12.8%	31.7	average
E I du Pont	33/ 45	3	14.7	13.0	0.4	3.2	1	30.9	4.6	10	–5.9	47.8	low
Hercules	65/ 66	4	14.2	15.8	0.3	6.6	8	5.1	6.0	8	–1.1	28.5	very low
Borg-Warner	23/ 35	5	14.1	14.0	0.2	5.2	5	7.8	14.6	3	5.4	16.9	average
Dow Chemical	83/111	6	13.9	10.8	0.6	2.7	4	8.5	10.1	14	–17.7	122.2	average
FMC	37/ 61	7	13.1	15.6	0.2	4.8	13	3.1	4.9	6	2.5	46.1	average
Univar	57/ 66	8	13.1†	17.3	0.6	0.8	14	2.3‡	12.6	12	–12.3‡	131.0	average
Borden	30/ 37	9	12.9	13.8	0.3	4.4	16	1.1	9.8	2	9.1	11.7	very high
Pennwalt	61/ 58	10	12.3	12.2	0.4	4.6	19	–0.6	8.6	11	–11.7	75.0	average
Stauffer Chemical	80/104	11	12.2	1.8	0.3	def	17	0.7	12.4		NM	D-P	NM
American Cyanamid	48/ 36	12	11.7	13.7	0.3	4.7	9	4.5	10.0	7	–0.9	45.6	very low
Diamond Shamrock	23/ 7	13	11.3	1.5	0.7	def	3	16.5	27.1		NM	P-D	NM
Monsanto	63/ 49	14	10.9	12.7	0.3	5.9	10	3.7	11.0	4	3.3	43.2	very low
Natl Distillers	34/ 41	15	10.6	6.4	0.3	2.6	7	6.5	88.2	13	–12.7	47.4	average
Union Carbide	43/ 40	16	10.6	4.0	0.5	0.9	15	1.9	6.2	15	–25.7	–9.9	low
Celanese	51/ 29	17	9.9	16.4	0.7	3.4	12	3.3	7.4		NM	500.0+	NM
Olin	57/ 48	18	8.6	10.4	0.5	3.7	11	3.5	10.2	5	2.6	60.2	very low
Reichhold Chemicals		19	6.9	12.3	0.2	2.9	18	–0.5	3.7	9	–3.7	49.8	very low
Medians			**12.3**	**12.7**	**0.3**	**3.4**		**3.7**	**10.1**		**–5.9**	**45.9**	

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Sources: Media General Financial Services, Inc.; Forbes

Overall, the industry's operating earnings last year climbed 40%, according to William Young, who follows chemicals for Dean Witter Reynolds. Little of that came by way of price increases, which averaged about 2% during the year. Most of the rise in earnings was fueled by volume growth. "Revenues grew much more than fixed costs, so margins improved considerably," says Young.

The continued strength of the dollar has taken the oomph out of many chemical makers with multinational operations. "The dollar really began to bite into the industry's profitability in the third quarter," says A. Nicholas Filippello, Monsanto's chief economist. "Profits on exports have diminished substantially, and imports have just been exploding." If the long-awaited drop in the value of the dollar occurs this year, it could significantly brighten the outlook for chemical manufacturers in 1985. "A 10% drop in the dollar would make U.S. chemical producers much more competitive," says James Wiborg, chairman of Univar Corp., a major chemical distributor.

More threatening, of course, is the devastating industrial accident at Union Carbide's plant in Bhopal, India. By year's end Union Carbide was facing a barrage of lawsuits seeking damages far in excess of its net worth. This is forcing chemical industry executives, worried that the accident may spur a new wave of tougher environmental rules, to rethink their international commitments.

A major trend in the industry is a shift from basic commodity chemicals to specialty value-added products. It's hard to find a chief executive in the industry who doesn't talk about moving toward "specialty" chemicals. Says Alexander Giacco, Hercules' chairman: "Specialty product is now a generic term. If you're a me-too in the specialty chemical area, you'll have trouble making money there, too. What makes a profitable product is being the market leader."

As for the future, Dean Witter's Young thinks chemical makers will have a tough time beating last year's earnings increase. He's predicting operating profits will rise 20% in 1985. "We expect raw materials to be flat or slightly down due to overcapacity," says Vincent Gregory, chairman of Rohm and Haas. "Our overall performance will depend on the economy for volume growth and our ability to pass on inflationary costs through price increases." ■

Chemicals

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Specialized													
Freeport-McMoran	56/ 47	1	24.4%	12.5%	0.4	11.9%	1	19.6%	6.4%	4	10.0%	67.1%	very low
Nalco Chemical		2	24.2	21.7	0.1	10.8	13	6.0	8.1	5	8.3	23.7	low
Cabot	29/ 26	3	21.5	14.4	0.4	4.1	2	15.7	12.5	7	4.7	51.0	very low
Intl Flavors		4	21.4	19.9	0.0	14.8	16	4.2	2.6	8	3.3	3.3	high
Morton Thiokol	50/ 57	5	20.5	19.4	0.2	5.5	3	13.7	13.3	1	19.8	23.6	average
Lubrizol		6	20.4	14.2	0.1	8.1	14	5.1	6.8	17	–8.4	31.5	low
Vulcan Materials	31/ 16	7	19.2	17.2	0.2	6.6	19	3.1	26.8	13	–0.1	78.3	very low
Universal Leaf	35/ 20	8	19.0	19.3	0.1	3.8	12	6.0	5.3	2	12.7	17.9	very high
Dexter	47/ 40	9	17.1	15.1	0.4	4.9	10	7.4	15.1	9	3.1	1.7	average
Big Three Inds	43/ 67	10	17.0	8.4	0.3	6.8	6	11.1	13.4	12	0.0	4.2	very low
Air Products		11	17.0	13.4	0.4	6.7	8	9.2	6.7	6	4.8	31.1	low
Witco Chemical		12	16.3	18.6	0.4	3.8	5	12.3	11.8	11	0.9	37.3	very low
Sun Chemical	61/ 60	13	15.7	7.0	0.8	1.3	4	13.4	19.3	19	–29.3	–25.8	average
W R Grace	44/ 62	14	15.4	8.9	0.6	2.6	11	7.0	9.9	14	–0.6	23.5	very low
Intl Minerals	70/ 83	15	15.1	8.8	0.4	5.3	21	1.8	8.3	15	–4.0	5.0	very low
NL Industries	33/NM	16	14.7	0.9	0.4	def	23	–2.2	–10.0		NM	D-P	NM
Ethyl	47/NA	17	14.6	14.6	0.3	6.1	20	2.8	3.8	10	2.5	31.3	average
Liquid Air	84/104	18	14.1	9.7	0.5	5.2	9	8.0	7.4	16	–5.7	10.0	low
Ferro		19	11.8	10.6	0.3	3.1	17	3.4	12.0	18	–11.7	28.9	average
Williams Cos	34/ 58	20	9.7	14.3	1.5	2.5	15	4.5	228.1	3	12.0	500.0+	very low
Koppers	35/ 8	21	5.8	5.6	0.4	1.6	22	–1.2	19.9		NM	D-P	NM
B F Goodrich	35/ 36	22	4.5	6.3	0.6	0.6	18	3.2	11.4		NM	D-P	NM
Uniroyal	29/ 40	23	0.2	15.0	0.5	2.6	25	–6.3	12.2		NM	194.0	NM
Gulf Resources	42/ 33	24	def	19.1	2.2	3.3	24	–4.6	6.2		NM	169.7	NM
GAF	46/115	25	def	def	0.5	def	26	–11.0	8.9		NM	D-D	NM
Inspiration Res	31/DD	26	def	def	0.7	def	7	9.2	12.3		NM	D-D	NM
Medians			**15.6**	**13.8**	**0.4**	**3.9**		**5.5**	**10.7**		**–0.4**	**23.7**	
Industry medians			**14.1**	**13.0**	**0.4**	**3.8**		**4.5**	**10.1**		**–3.7**	**31.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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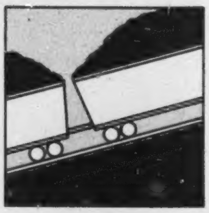
Sources: Media General Financial Services, Inc.; Forbes

COAL



Labor relations is buffeting these companies in an unusual way. Business was great at the beginning of 1984. And that's why it may be lousy during the first part of this year.

THE COAL INDUSTRY signed a new labor contract without a strike last year, for the first time since 1964. Industry executives say United Mine Workers President Richard Trumka's realistic negotiating style minimized conflicts. And even though bargaining was tough, both sides now seem pleased with the outcome.

Customers' memories are long, however, and that explains the industry's current predicament. The strike threat skewed sales figures for most of last year. While coal consumption rose 6% in 1984, production jumped 12%. How come? Users stockpiled coal in anticipation of labor trouble that never came.

After the Sept. 30 strike deadline, demand softened dramatically. Now customers will be living off inventory through spring. Consequently, last year's record production of 874 million tons probably won't be matched in 1985. Expect earnings and stock prices to fall as well.

Still, 1984 is a year to remember. The industry's median return on equity was nearly 40% above its long-term average. Median earnings were up 66%, and net margins for the group increased as well.

These strong numbers would have been even stronger were it not for trouble at two diversified firms. Kaneb Services, which is new to the Yardsticks, shows a deficit on return on equity and earnings per share for 1984. But don't blame coal. The poor performance was at the company's oil services division.

At Pittston the trouble was more widespread. Tough competition hurt its air freight and security businesses. And the company produces mostly metallurgical coal, which is used by steelmakers, as opposed to steam coal, which is used to make electricity Thus the steel industry's problems also hurt Pittston.

Highly leveraged North American Coal leads the industry in profitability over the last 12 months. The company topped its five-year average of earnings per share by a whopping 76 percentage points.

Eastern Gas & Fuel and Westmoreland Coal, meanwhile, had moderate but respectable sales gains. Gulf Resources reported the industry's best earnings growth. And even though it finished last, the company enjoyed a solid recovery. Its earnings were up 170% from 1983. ■

Coal

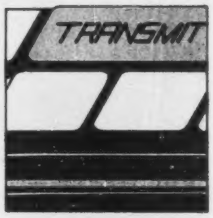
Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Kaneb Services	40/ 35	1	23.8%	def	0.6	7.7%	2	13.2%	–0.4%	3	0.6%	P-D	very low
North Amer Coal		2	15.0	23.1%	6.1	4.8	4	10.1	12.8	2	4.5	80.8%	low
Eastern Gas	37/ 4	3	13.0	13.3	0.6	3.6	1	13.4	8.7	1	20.7	51.0	low
Pittston	47/DP	4	2.6	def	0.3	def	5	2.3	15.4		NM	D-D	NM
Westmoreland		5	1.1	7.9	0.3	2.6	3	11.7	10.5		NM	86.0	NM
Gulf Resources	26/ 17	6	def	19.1	2.2	3.3	6	–4.6	6.2		NM	169.7	NM
Industry medians			**7.8**	**10.6**	**0.6**	**3.4**		**10.9**	**9.6**		**NM**	**65.9**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

COMPUTERS



In 1984 most computer firms beat their five-year profitability averages handily. But several companies didn't. Most of them ran headlong into IBM.

LOTS OF THINGS WENT RIGHT in the computer business last year. A year ago the group's median five-year average return on equity was 15.1%. Now it is up to 17.4%. The last time we tallied the numbers, these companies ranked 23rd among the 42 FORBES industry groups in terms of long-term profitability. Now the computer industry has moved up to ninth place.

But the world isn't perfect. Last year few of these firms kept pace with their five-year performances. The median for the latest 12-month return on equity is 12.9%. That is considerably below the long-term average of 17.4%.

The strong dollar hurt foreign sales as well as earnings from offshore subsidiaries. But a far greater factor on bottom lines is IBM's new aggressiveness in nearly every area of the market—from micros to mainframes. IBM's sales were up 15.6% over the latest 12 months, and its 12-month profitability is higher than its five-year average profitability. These are phenomenal achievements for a company with annual sales of $40 billion.

Mostly because of stellar performance in earlier periods, relative upstart Apple Computer once more tops our five-year profitability rankings. Its latest 12-month sales were up 54.2%, but earnings fell 18% because of capital and advertising expenses associated with launching the Macintosh and Apple IIc. In 1979 Apple's sales were $47.9 million. In fiscal 1984 they exceeded $1 billion for the first

Computers

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Apple Computer		1	113.8%	17.0%	0.0	7.8%	1	154.3%	54.2%	1	112.5%	–18.0%	very high
Comdisco		2	46.7	15.5	1.4	10.3	5	26.8	2.8	3	42.4	–41.0	high
Prime Computer		3	44.3	20.5	0.1	6.3	3	40.9	25.0	4	26.8	55.4	average
Wang Laboratories		4	34.5	20.3	0.3	9.6	2	51.6	41.4	2	44.4	27.2	very high
IBM		5	23.6	27.0	0.1	13.7	11	13.9	15.6	7	11.0	21.2	high
Storage Technology		6	20.8	def	0.8	def	6	26.7	–6.0		NM	P-D	NM
Hewlett-Packard	51/ 45	7	20.1	23.0	0.0	9.2	8	21.9	28.3	5	20.6	53.3	very high
Digital Equipment		8	17.5	12.2	0.1	5.9	7	25.8	36.4	6	12.0	85.4	average
Harris Corp	36/ 34	9	17.4	12.0	0.3	4.0	12	13.1	37.0	10	–1.8	23.7	very low
Datapoint		10	16.7	8.0	0.3	4.4	4	27.8	11.1	16	–29.2	222.5	low
NCR		11	15.1	16.3	0.2	7.7	16	6.8	8.3	11	–2.3	28.0	very low
Honeywell	28/ 31	12	14.3	12.9	0.3	4.0	15	9.9	5.4	9	3.1	28.0	low

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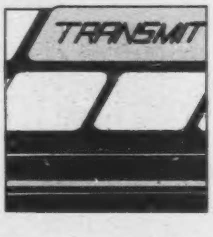
Sources: Media General Financial Services, Inc.; Forbes



Both Apple and IBM want to be the low-cost producer of microcomputer systems. That puts pressure on the smaller competitors.

time. This year Apple could hit $2 billion.

A range of problems, meanwhile, drove former star Storage Technology into reorganization. There were costly delays in shipping its 8380 disk drive, created to compete with the IBM 3380. And sales of older Storage products eroded faster than expected when IBM started shipping its new 3380 disk drive in volume. Caught in the midst of delays and rising costs and with more funds needed to finance research on optical storage, the company was also forced to end its ambitious attempt to develop a mainframe computer.

Another troubled company, Gene Amdahl's Trilogy Systems, hurt two bigger firms in the Yardstick. Sperry shows a 3.5% increase in sales and a 63.1% jump in earnings over the latest 12 months. Those results would be better if Sperry hadn't had to write off its 13% stake in Trilogy, which failed in an attempt to develop large-scale microchip circuits. Digital Equipment also posted a fat earnings gain. But it, too, would have done better without Trilogy. The company wrote off the value of its Trilogy investment, a total of $20.4 million.

Both Datapoint and Data General posted 12-month earnings gains of over 200%. But these large numbers can be deceptive. Note that each of these companies has a negative five-year earnings growth rate. That means profits have been trending down, not up. So the current fat gains come from depressed results in 1983.

Troubles at Comdisco and Control Data deserve special mention. Comdisco is primarily a leasing company. Last year outsiders questioned the accounting in some of its tax shelters, and sales dropped sharply. At Control Data, on the other hand, the decline stems primarily from losses related to its exit from the IBM plug-compatible market.

The shakeout in personal computers continues. Last year saw the demise of independent brands like Franklin and Gavilan, while former stars such as Eagle and Columbia fell on hard times. At the same time, giants AT&T and ITT entered the fray.

These companies and other late arrivals in the microcomputer field—firms like Wang, Hewlett-Packard, Digital Equipment, NCR, Data General and Sperry—could ultimately benefit from the shakeout of smaller undercapitalized firms. With the name recognition of the majors and their installed base of mainframes, minis and word processors, these companies should be able to capture a portion of the market.

Both Apple and IBM are dedicated to becoming the low-cost producers of their respective microcomputer systems. That puts pressure on competitors with smaller market shares: Either they must contract out much of their manufacturing or they must become distributors for equipment manufactured offshore.

AT&T went to an outsider—Olivetti—for its IBM-compatible microcomputer. Meanwhile, importers Epson and Panasonic traded on their name recognition in consumer electronics and office equipment to make inroads in the U.S. market.

As this fast-changing industry evolves, two trends stand out. Nearly every domestic manufacturer rises or falls according to its relationship with IBM. And IBM increasingly will rise or fall depending on its ability to outmaneuver the Japanese. ■

Computers

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Data General		13	14.2%	17.0%	0.3	2.8%	10	16.7%	40.0%	15	−17.8%	220.8%	average
Sperry	57/ 58	14	11.2	10.0	0.3	4.4	17	2.9	3.5	13	−14.9	63.1	average
Control Data	76/ 71	15	10.9	2.7	2.6	3.5	14	10.4	10.9	8	10.0	−68.6	high
Amdahl		16	10.0	9.7	0.2	5.6	9	18.2	11.3	14	−15.2	23.1	low
Burroughs		17	8.2	10.4	0.3	4.6	13	12.7	15.1	12	−12.4	118.6	low
Medians			**17.4**	**12.9**	**0.3**	**5.6**		**18.2**	**15.1**		**3.1**	**28.0**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**−0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

CONSUMER PRODUCTS

Many of these companies are enjoying a hefty boost from the resurgent economy. But several also got hit by heavier-than-usual competition.

MOST CONSUMER PRODUCTS companies are ringing up handsome gains, and the economic recovery gets the credit. A lot of people put off buying appliances and household goods during the recession. But last year they made up for lost time. The makers of personal care products also benefited, although they were more likely to be penalized by costly new product launches and battles for market share.

With a median five-year profitability of 13.4%, these firms rank 29th among the 42 industry groups. That's not exceptional, but during the most recent 12 months these companies show a median profitability of 15.6%.

Within the subgroups, the picture wasn't always this rosy, however. Last year personal products firms posted a median return on equity of only 15.1%; that is 3.4 percentage points below their five-year average. But the reverse was true for appliance manufacturers. These 16 firms outperformed their five-year averages by about 75%.

Competition caused trouble in personal products. Market share battles kept margins down at Chesebrough-Pond's and Procter & Gamble. Even Shaklee, which leads with a 26% five-year return on equity, fell well below that mark last year. As a direct marketer, it has difficulty recruiting salesmen when the economy is strong.

Among household products, only Clorox and Economics Laboratory beat their five-year profitability averages. But American Home Products—with roughly $5 billion in revenues—came close. It ranks 33rd among the 1,000 companies in this issue, with a five-year return on equity of 34%. American Home's most profitable operations are in its health care and ethical drug divisions. But as the profit percentages indicate, products like Woolite and Easy-Off oven cleaner clearly hold their own.

Again, Maytag leads in appliances. Its profitability jumped to 28.3% during the last four quarters. But Magic Chef is moving up: Although eighth in terms of five-year figures, it's fourth in latest 12-month performance.

Consumer products

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Appliances													
Maytag		1	24.3%	28.3%	0.1	10.2%	3	11.3%	9.7%	3	4.7%	16.5%	low
General Electric	23/ 17	2	20.4	19.6	0.1	7.6	5	6.2	2.1	2	10.0	12.2	very high
Whirlpool		3	17.5	19.3	0.1	6.3	7	3.9	23.1	1	10.3	11.2	high
Fuqua Industries	26/ 49	4	15.9	27.6	1.5	5.6	16	–16.4	18.5		NM	–7.8	NM
Stanley Works	40/ 45	5	14.7	16.3	0.2	5.4	6	5.0	16.7	6	–2.0	55.8	very low
White Consolidated	76/ 96	6	12.2	8.7	0.3	2.5	8	3.2	3.1	7	–10.5	9.8	average
Allegheny Intl	44/ 43	7	12.1	8.0	0.8	1.2	2	16.9	0.6		NM	D-P	NM
Magic Chef	77/ 58	8	10.3	26.3	0.3	5.2	1	17.4	37.2	4	3.0	77.7	very low
Black & Decker		9	9.5	17.2	0.3	3.8	9	2.5	31.3		NM	91.2	NM
Roper Corp		10	9.2	20.1	0.4	3.1	11	1.7	18.8	5	2.6	53.8	very low

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Sources: Media General Financial Services, Inc.; Forbes

Several firms that make small appliances and lawn equipment posted impressive gains last year, too. At Roper return on equity is better than twice its five-year average. And Black & Decker, with a boost from its recent acquisition of General Electric's small appliance division, logged a hearty 12-month earnings growth rate of 91.2%. Even Toro worked down its snowblower inventory well enough to report 3% net margins.

Singer and Allegheny International remain among the most leveraged appliance firms, with debt-to-equity ratios of 0.8. Even so, Singer earned 12.9% on its equity last year; that's quite an improvement from its negative five-year average, even though its defense business gets most of the credit. But at Allegheny, which picked up much of its debt by acquiring Sunbeam in 1981, the trend is in the opposite direction. Its profitability dipped from a five-year average of 12.1% to only 8% for the latest 12 months.

The least profitable consumer product group is home furnishings. These seven companies have a median five-year average return on equity of only 9.5%, a figure that fell to 6.6% during the latest 12 months. Still, West Point-Pepperell has an impressive all-round performance. And Springs Industries and Mohasco managed to best their five-year averages. ■

Consumer products

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Hoover		11	8.0%	18.8%	0.1	3.8%	13	–1.9%	2.7%		NM	54.2%	NM
Zenith Electronics	68/NA	12	6.3	17.6	0.3	3.4	4	6.3	21.9		NM	309.6	NM
Toro		13	def	12.4	0.5	3.0	14	–5.2	16.3		NM	D-P	NM
Singer	28/DP	14	def	12.9	0.8	0.7	12	–0.2	2.5		NM	500.0+	NM
Talley Industries	42/ 17	15	def	15.5	0.4	2.9	15	–10.0	6.6		NM	45.3	NM
NI Industries	40/ 31		NA	36.0	0.9	5.3	10	1.8	13.9		NM	46.3	NM
Medians			**10.3**	**18.2**	**0.4**	**3.8**		**2.9**	**15.1**		**NM**	**50.1**	
Home furnishings													
West Point-Pepperell	57/ 77	1	12.4%	13.1%	0.2	4.3%	1	5.4%	10.5%	2	9.7%	5.9%	average
Corning Glass	46/ 41	2	11.6	5.6	0.3	5.8	3	4.6	8.8	4	–10.1	–23.6	average
Fieldcrest Mills		3	10.5	6.6	0.4	2.7	5	2.0	6.8	5	–14.5	–27.1	average
Springs Industries	46/ 35	4	9.5	9.9	0.1	4.1	2	4.8	9.5	1	14.0	28.9	low
Burlington Inds	33/ 30	5	7.5	5.2	0.4	3.0	4	4.1	6.0	3	0.7	–29.7	very low
Anchor Hocking	74/ 73	6	6.9	4.1	0.3	def	6	0.7	–29.8		NM	D-P	NM
Mohasco		7	2.7	8.0	0.3	2.0	7	–4.3	13.9		NM	D-P	NM
Medians			**9.5**	**6.6**	**0.3**	**3.0**		**4.1**	**8.8**		**–10.1**	**–23.6**	
Household products													
American Home	39/ 22	1	34.0%	32.9%	0.0	12.9%	2	9.9%	12.7%	1	12.6%	11.6%	very high
Procter & Gamble	36/ 51	2	19.8	17.4	0.1	6.9	3	8.9	5.0	2	10.6	–4.9	very high
Clorox		3	18.5	21.7	0.1	8.2	5	0.7	7.9	3	10.3	3.1	average
Sterling Drug	34/ 38	4	16.4	15.5	0.1	7.2	4	7.3	0.0	4	6.8	6.9	high
Economics Lab	26/ 4	5	12.0	17.6	0.3	5.2	1	11.3	4.8		NM	D-P	NM
Medians			**18.5**	**17.6**	**0.1**	**7.2**		**8.9**	**5.0**		**10.3**	**5.0**	
Personal products													
Shaklee		1	26.0%	8.7%	0.1	6.5%	1	14.2%	–14.8%	3	11.4%	–62.7%	average
Avon Products	62/ 64	2	24.1	14.1	0.3	5.5	11	8.1	1.5	14	–11.3	–5.5	high
Bristol-Myers	25/ 19	3	23.3	24.2	0.1	10.4	9	9.8	7.4	1	14.1	15.9	very high
Chesebrough-Pond's	25/ 29	4	21.8	17.4	0.2	7.6	3	11.5	9.9	4	11.0	–5.1	high
Johnson & Johnson	42/ 45	5	19.9	15.6	0.1	8.2	4	11.2	2.8	6	10.3	–5.7	high
Procter & Gamble	38/ 48	6	19.8	17.4	0.1	6.9	10	8.9	5.0	5	10.6	–4.9	very high
Gillette	83/100	7	18.9	20.9	0.4	6.7	13	4.6	3.2	7	8.0	10.3	very high
Kimberly-Clark	72/ 67	8	18.1	14.3	0.3	5.8	5	11.0	11.1	10	0.8	22.8	very low
Schering-Plough	44/ 35	9	17.8	13.7	0.1	10.5	7	10.0	0.2	11	–2.5	–3.6	low
Consolidated Foods	21/ 28	10	17.2	20.3	0.3	2.7	2	11.7	–0.2	2	12.9	13.3	very high
Revlon	46/ 37	11	16.6	11.9	0.5	4.7	6	10.5	1.6	13	–10.5	43.2	average
Colgate-Palmolive	68/ 49	12	14.3	14.5	0.2	4.1	14	2.6	1.4	8	7.2	–2.1	average
Scott Paper	63/ 58	13	10.8	11.5	0.4	5.0	12	7.3	8.9	12	–5.7	82.4	low
Richardson-Vicks	86/ 97	14	9.2	15.7	0.4	5.6	8	10.0	9.2	9	1.9	46.0	very low
Medians			**18.5**	**15.1**	**0.2**	**6.1**		**10.0**	**3.0**		**7.6**	**4.1**	
Industry medians			**13.4**	**15.6**	**0.3**	**5.2**		**5.4**	**7.4**		**0.7**	**11.4**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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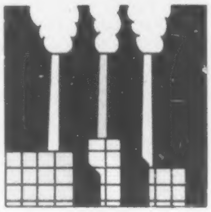
Sources: Media General Financial Services, Inc.; Forbes

DIVERSIFIED COMPANIES



Does it make sense to diversify? If it does, the median profitability of these 41 firms ought to exceed the all-industry median at the bottom of the opposite page. Unfortunately, that's not the case.

ONE OF THESE 41 companies is involved in nearly every segment of the economy. That's what makes analyzing this Yardstick so difficult. These are firms that have, over the years, diversified so thoroughly that many of them represent four or five industry groups. Most of these companies also appear elsewhere in this issue.

Because of this, comparing one company with another can often be a futile exercise. There's simply no rational way to evaluate results at American Brands in light of those at General Electric. Indeed, this very complexity sometimes keeps the stock prices of these companies down. They don't fit neatly into any industry group, which makes many Wall Street analysts throw up their hands.

Complexity, however, may not be the only reason the

Diversified companies

Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Multicompanies												
American Brands	1	22.2%	19.4%	0.3	8.8%	11	4.8%	1.2%	3	8.6%	6.1%	average
Martin Marietta	2	21.3	def	0.7	3.6	1	18.1	34.8	6	3.9	P-D	low
Minn Mining & Mfg	3	21.2	19.7	0.1	9.5	5	8.1	10.8	10	2.0	12.1	low
IU International	4	21.1	5.3	0.7	2.2	19	–4.3	16.5	13	–6.0	–59.6	very low
General Electric	5	20.4	19.6	0.1	7.6	9	6.2	2.1	2	10.0	12.2	very high
Westinghouse Electric	6	15.8	15.0	0.1	4.7	3	8.2	4.5	4	8.0	25.4	high
Borg-Warner	7	14.1	14.0	0.2	5.2	7	7.8	14.6	5	5.4	16.9	average
Interco	8	13.1	10.6	0.2	4.3	6	8.0	4.2	11	–1.7	21.5	very low
FMC	9	13.1	15.6	0.2	4.8	13	3.1	4.9	8	2.5	46.1	average
ITT	10	13.1	7.9	0.5	4.4	17	–1.9	9.0	9	2.4	–26.7	very low
City Investing	11	12.5	3.8	1.2	0.9	4	8.1	33.4	17	–26.6	–69.5	high
Textron	12	12.1	8.6	0.2	3.0	18	–2.4	9.6	14	–12.2	24.7	average
Household International	13	11.4	14.6	2.3	2.6	2	12.4	4.3	12	–2.2	17.1	very low
RCA	14	10.8	10.5	0.7	2.7	10	5.4	10.9		NM	29.8	NM
Natl Distillers & Chem	15	10.6	6.4	0.3	2.6	8	6.5	88.2	15	–12.7	47.4	average
Union Carbide	16	10.6	4.0	0.5	0.9	15	1.9	6.2	16	–25.7	–9.9	low
Berkshire Hathaway	17	9.8	7.0	0.1	12.8	14	2.8	21.0	1	15.1	21.6	average
Olin	18	8.6	10.4	0.5	3.7	12	3.5	10.2	7	2.6	60.2	very low
Koppers	19	5.8	5.6	0.4	1.6	16	–1.2	19.9		NM	D-P	NM
Medians		**13.1**	**10.4**	**0.3**	**3.7**		**5.4**	**10.2**		**2.0**	**17.0**	

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Sources: Media General Financial Services, Inc.; Forbes

analysts despair. In theory, diversified companies ought to beat the all-industry medians—if they don't, what's the reason for diversification in the first place? But for the latest 12 months, the all-industry return on equity of 13.4% topped both conglomerates, at 11.8%, and multicompanies, at 10.4%. The conglomerates fared better over the long haul, returning 16.1%, vs. the all-industry median of 15.1%. The multicompanies weren't so lucky, bringing in only 13.1%.

Still, there are several interesting ways to explore these numbers. A quick evaluation of the relative performance of the two subgroups is unusually revealing.

Generally speaking, multicompanies in this Forbes Yardstick are those firms that are heavily diversified. But they tend to move into a variety of fields gradually, and without splashy takeovers. A classic example is 3M.

On the other hand, conglomerates tend to be businesses that more actively ply the takeover path. Often, these are newer firms, since the philosophy of buying your way into diversification didn't really catch on until the Sixties. Gulf & Western is a typical example.

But now look at the numbers. In 1984 the conglomerates earned a median return on equity that barely beat the multicompanies. But the contrast between the two groups is even stronger over the five-year period. Conglomerates earned a return on equity that bettered that of multicompanies by three full percentage points.

What does this mean? It might be that active conglomerators are more inclined to scrutinize the businesses they are in—not only acquiring but pruning and cutting divisions that don't look promising. This is the kind of management that ought to improve long-term profitability.

Conglomerates did more than merely win over the long haul. Their median return on equity over the 12 months covered was notably better than it was for last year, climbing from 9.7% in 1983 to 11.8% in 1984. Multicompanies, on the other hand, picked up somewhat less, from a 9.7% return in 1983 to a 10.4% return last year.

Still, all was not rosy with conglomerates. Allied Corp.'s earnings dropped by 78.2% in the 12-month period, which pulled its return on equity down, from 35.4% over the last five years to 2.7% in the 12-month span. Even though profits were up at Teledyne, its return fell from a long-term average of 25.8% to 12%, and Litton Industries suffered a similar drop in return, from 25.5% over the five years to 17.4% for last year.

When you turn to those firms listed under multicompanies, the return over the latest 12 months, 10.4%, actually climbed slightly from last year's return of 9.7%, although it did fall from the five-year return, 13.1%. And even though Martin Marietta lost money during the 12-month period, a number of other top multicompanies did quite nicely compared with last year. 3M, for example, increased its return from 18.5% last year to 19.7% in 1984. ■

Diversified companies

Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Conglomerates												
Allied Corp	1	35.4%	2.7%	0.4	0.6%	2	21.5%	19.3%		NM	–78.2%	NM
Teledyne	2	25.8	12.0	0.2	10.2	14	3.7	19.5	2	8.8%	28.9	average
Litton Industries	3	25.5	17.4	0.1	6.8	11	5.9	16.3		NM	35.3	NM
Raytheon	4	23.2	12.0	0.1	5.1	6	13.1	12.2	3	7.7	–23.6	high
Lear Siegler	5	22.9	17.0	0.6	4.4	13	4.6	42.7	8	1.2	25.1	very low
Whittaker	6	20.4	15.0	0.4	2.3	5	13.7	–6.0	5	3.5	58.1	very low
TRW	7	18.4	16.3	0.2	3.7	10	6.7	10.3	9	–0.5	40.6	very low
Northwest Industries	8	17.9	def	0.7	def	20	–6.0	23.2		NM	P-D	NM
United Technologies	9	17.8	17.4	0.2	3.5	3	17.3	10.7	4	6.0	27.1	average
Scott & Fetzer	10	16.5	18.8	0.3	5.1	16	2.8	11.9	7	1.8	32.0	very low
Figgie Intl Holdings	11	16.3	11.0	0.6	3.2	17	1.1	7.0	1	11.3	–6.4	high
Fuqua Industries	12	15.9	27.6	1.5	5.6	22	–16.4	18.5		NM	–7.8	NM
W R Grace	13	15.4	8.9	0.6	2.6	9	7.0	9.9	10	–0.6	23.5	very low
Ogden	14	14.3	11.6	0.8	3.1	18	–0.8	0.3	11	–7.8	–22.7	average
Kidde	15	14.2	12.5	0.8	3.5	15	2.9	12.8	6	2.2	–5.5	very low
Signal Cos	16	12.6	10.4	0.1	1.7	7	10.1	7.0	13	–20.6	202.5	high
Allegheny International	17	12.1	8.0	0.8	1.2	4	16.9	0.6		NM	D-P	NM
Gulf & Western Inds	18	10.6	13.7	0.5	6.2	19	–0.9	13.3		NM	D-P	NM
Penn Central	19	9.1	1.9	0.2	0.8	1	34.6	0.4		NM	–52.1	NM
IC Industries	20	7.9	11.0	1.0	2.5	12	5.2	1.7	12	–8.9	152.8	low
Amfac	21	7.6	def	1.0	def	8	8.8	7.1		NM	D-D	NM
Chromalloy American	22	0.5	def	0.9	def	21	–11.1	2.1		NM	D-D	NM
Medians		**16.1**	**11.8**	**0.5**	**3.1**		**5.6**	**10.5**		**–8.3**	**9.0**	
Industry medians		**14.2**	**11.0**	**0.4**	**3.5**		**5.4**	**10.3**		**–1.7**	**17.0**	
All-industry medians		**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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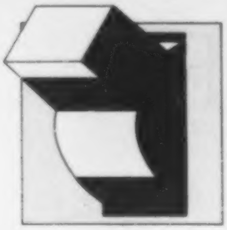
Sources: Media General Financial Services, Inc.; Forbes

ELECTRICAL EQUIPMENT



In 1983 these companies were on the sidelines—while consumer spending led the economic recovery. Last year, however, the good times came their way.

These 14 companies are making up for lost time. After weak performance in 1983, they enjoyed solid gains last year. The group moved up four notches on the Forbes profitability Yardsticks, which ranks electrical equipment eighth among the 42 industries surveyed in this issue. This showing is doubly impressive because these firms use very little leverage. Their median debt-to-equity ratio is a mere 0.1, one-fourth the all-industry figure.

Earnings growth was particularly strong. Last year electrical equipment manufacturers boosted their profits by 26.5%, even though price increases averaged only 1% to 3%. This reflects handsome industry sales gains and an impressive ability to cut costs. Despite the gains from 1983, however, 11 of the 14 firms in this Yardstick were unable to match their five-year profitability figures during the past 12 months.

Cyclical companies, such as Square D and General Signal, reported hefty earnings gains. Not surprisingly, they were the major beneficiaries of an upswing in nonresidential construction. Square D's 12-month sales, for example, grew by 24.3%—the best performance in the group. Its 12-month return on equity of 20.9% also leads the pack.

Most of these companies will continue to search for high-tech acquisitions. Square D wants to increase its exposure in electronics to 50% of revenues by 1990, up from 17%. Emerson Electric acquired SmithKline Beckman's industrial business last March and all of Micro Motion in July.

If the economic growth slows this year, electrical equipment manufacturers will be hard-pressed to match 1984's healthy gains. There are other worries on the horizon, too. Industry executives fret about the Treasury Department's tax proposals. Most of these companies benefit from accelerated depreciation and investment tax credits. If Congress changes these incentives, the recent upsurge in capital spending could end. And, temporarily at least, this might send the industry into a tailspin. ■

Electrical equipment

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Emerson Electric		1	21.8%	20.5%	0.1	8.7%	5	10.0%	20.2%	3	8.9%	15.4%	very high
Square D	82/ 94	2	20.9	20.9	0.3	5.5	6	9.4	24.3	11	–4.2	71.3	low
Cooper Industries	41/ 57	3	20.8	7.9	0.1	3.8	1	20.0	6.4	13	–12.6	101.0	low
General Electric	25/ 24	4	20.4	19.6	0.1	7.6	12	6.2	2.1	2	10.0	12.2	very high
Natl Service Ind	32/ 23	5	19.9	18.4	0.0	5.9	8	8.6	14.6	1	12.6	11.1	very high
Harvey Hubbell		6	18.4	17.4	0.0	7.7	7	8.8	10.1	4	8.7	31.9	high
W W Grainger		7	17.8	16.0	0.1	5.9	11	6.7	22.9	7	4.0	35.4	average
Raychem	87/ 95	8	17.6	10.9	0.1	5.9	2	18.7	8.1	6	7.3	–4.5	low
Westinghouse	NA/NA	9	15.8	15.0	0.1	4.7	10	8.2	4.5	5	8.0	25.4	high
General Signal	25/ 27	10	15.7	12.6	0.1	5.7	9	8.3	16.4	9	2.0	26.5	very low
Johnson Controls	62/ 53	11	15.7	16.6	0.3	4.5	3	14.4	7.7	8	3.2	12.9	low
McGraw-Edison	54/ 71	12	10.9	8.9	0.6	1.5	4	14.2	7.5	12	–11.6	27.9	low
Robertshaw Controls		13	9.2	19.8	0.2	4.2	14	3.1	16.4	10	–1.1	81.7	very low
Midland-Ross	47/ 93	14	8.4	6.3	0.6	def	13	3.8	13.3		NM	D-P	NM
Medians			**17.7**	**16.3**	**0.1**	**5.6**		**8.7**	**11.7**		**3.6**	**26.5**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc., Forbes

ELECTRIC UTILITIES

If you didn't have to mothball a partially completed plant, 1984 was a good time to be selling electricity. With construction expenses falling steadily, business might be even better this year.

WHILE TROUBLED COMPANIES like Consumers Power & Public Service of Indiana grappled with canceled nuclear installations, the rest of the utility industry enjoyed relative good fortune in 1984.

Sure, a special kind of bookkeeping helps utilities. They can capitalize funds used during construction and defer interest expenses, both of which boost reported profits. That is part of the reason this sector moved from 31st to 27th among 42 FORBES industry groups in five-year average return on equity. In addition, these 73 companies now enjoy a median long-term profitability of 13.6%. Results for the latest 12 months are an even better 15.5%.

Conservation isn't helping. Average annual expansion in demand for electricity through 1990 is now expected to be only 2% to 3%—roughly in step with increases in the gross national product. In the early Seventies, experts were looking for growth rates closer to 7%, often greater than gains in the GNP. So the industry is now burdened with

Electric utilities

Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Northeast												
United Illuminating	1	16.8%	17.6%	0.7	17.9%	4	16.0%	16.8%	2	12.8%	−2.7%	high
New England Elec System	2	15.7	18.2	1.5	9.7	17	12.0	10.7	4	11.2	6.4	very high
Commonwealth Energy	3	14.9	21.3	0.8	6.9	13	13.6	12.3	7	8.7	24.1	average
Long Island Lighting	4	14.9	16.7	1.0	20.4	7	15.4	12.5	14	3.0	7.5	high
NY State Electric & Gas	5	14.5	16.4	0.9	15.8	11	13.9	11.8	12	5.0	16.4	high
Central Hudson Gas & El	6	13.9	16.7	0.8	8.5	1	18.8	8.8	10	5.7	13.9	very high
Niagara Mohawk Power	7	13.9	16.7	0.8	11.9	6	15.8	7.2	6	8.9	9.1	high
Orange & Rockland Utils	~~8~~	13.5	14.6	0.7	6.9	8	14.8	5.0	9	5.8	8.4	high
Consolidated Edison	9	13.3	15.5	0.6	10.4	12	13.7	5.0	1	15.3	11.1	very high
Rochester Gas & Elec	10	13.2	16.3	0.9	11.4	3	16.2	7.3	5	10.2	14.6	high
Pennsylvania Power & Lt	11	13.1	13.2	0.9	23.7	18	10.6	36.0	17	1.6	2.3	low
Delmarva Power & Light	12	12.8	16.0	0.8	13.1	16	12.3	7.9	11	5.4	11.2	average
Northeast Utilities	13	12.7	20.3	1.5	11.7	2	17.9	12.4	3	12.1	23.8	high
Atlantic City Electric	14	12.6	14.0	0.8	12.8	5	15.9	9.1	13	4.9	−1.2	low
Philadelphia Electric	15	12.5	14.9	1.0	15.0	10	13.9	12.0	8	6.2	5.7	very high
Boston Edison	16	12.1	14.1	1.1	6.3	15	12.8	23.7	16	2.2	17.0	low
Public Service E&G	17	11.9	15.3	0.8	9.8	14	13.6	6.7	15	2.7	16.3	low
General Public Utils	18	3.4	7.3	1.3	2.7	9	14.3	7.7	18	−17.9	128.9	average
Medians		**13.2**	**16.2**	**0.9**	**11.5**		**14.1**	**9.9**		**5.7**	**11.2**	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

Wall Street appears to be losing some of its fear over this industry's problems. In the second quarter of 1984 utility stocks were priced at an average of 84% of book value. In the third, prices rose to 93%.

historically high overcapacity. Since many nuclear plants slated to come on-line in the Eighties aren't needed now, several companies had to make painful decisions: scrap or stop construction of near-complete facilities.

The strong economy has spurred consumption of electricity. In the second quarter of 1984 the Edison Electric Institute reports total residential kilowatt-hour sales rising 7.1%, commercial sales up 11.7%, industrial sales up by 5.8%—an overall increase of 8.1%. Utility executives realize these gains are short term but still help earnings.

For the next few years balance sheets and profit quality should improve with falling construction expenditures. As finances strengthen, discounts on dividend reinvestment plans are likely to be curtailed. Share buybacks, once rare in the industry, could become more commonplace. Debt burdens rose last year. In 1983 the median debt-to-equity for these companies was 0.8; in 1984 it moved up to 0.9.

Utilities have typically been oriented toward system growth. And no wonder—it means more plant and equipment, a larger rate base and higher earnings. But executives now often see diversification as a means to satisify the natural urge to get bigger and make more money.

In 1984 Indianapolis Power & Light became a holding company, IPALCO Enterprises. Florida Power & Light also plans to adopt this corporate format. Such restructuring makes acquisitions easier. PacifiCorp, formerly Pacific Power & Light, has expanded into telecommunications

Electric utilities

Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Midwest												
Iowa-Illinois Gas & El	1	18.0%	15.4%	0.9	11.6%	11	12.7%	16.2%	9	10.1%	−10.9%	high
Public Service Indiana	2	16.8	7.6	0.7	29.3	20	9.9	6.6	11	8.1	−50.8	high
Illinois Power	3	15.2	17.9	0.9	16.2	7	13.7	1.5	17	5.8	12.1	high
Kansas Power & Lt	4	15.2	19.2	0.9	9.7	1	19.3	151.1	8	10.3	22.8	high
Wisconsin Power & Lt	5	15.2	15.0	0.8	9.8	12	12.5	8.8	3	12.8	−0.8	very high
IPALCO Enterprises	6	14.8	15.7	1.0	15.8	25	6.4	8.2	13	7.9	2.2	average
Northern States Power	7	14.7	17.3	0.9	10.8	14	12.3	6.9	5	10.9	7.7	high
Iowa Resources	8	14.5	14.5	1.1	10.0	3	14.3	18.6	21	3.4	−2.4	average
Wisconsin Public Service	9	14.4	17.0	0.6	8.2	4	14.0	5.8	15	7.5	9.9	high
Kansas City Power & Lt	10	14.3	19.2	0.9	22.5	15	11.2	8.0	1	14.1	17.7	average
Cleveland Elec Illuminating	11	14.3	17.6	0.8	20.3	16	10.9	−0.8	10	8.6	14.6	high
Allegheny Power System	12	14.2	15.4	1.2	9.8	2	16.0	−1.6	2	13.8	4.6	very high
Wisconsin Elec Power	13	14.1	17.5	0.7	10.6	6	13.8	5.9	4	12.0	16.1	high
Cincinnati Gas & Elec	14	13.8	12.4	1.0	10.7	10	12.9	6.7	23	2.7	−16.1	low
Dayton Power & Light	15	13.7	11.5	1.0	12.9	8	13.3	9.5	7	10.7	−16.8	high
Union Electric	16	13.6	17.0	1.0	19.7	21	8.9	4.7	17	5.8	2.6	average
Central Illinois Pub Service	17	13.4	12.8	0.8	11.7	17	10.9	−2.6	19	5.6	−13.2	average
Commonwealth Edison	18	13.3	15.7	1.0	17.3	5	14.0	8.4	13	7.9	−3.2	average
Toledo Edison	19	13.2	15.5	1.0	25.4	22	8.7	5.8	20	5.2	6.2	average
Central Illinois Light	20	13.0	13.1	0.8	8.5	18	10.3	3.5	12	8.0	−5.4	high
Ohio Edison	21	13.0	17.0	1.3	18.0	13	12.4	8.1	6	10.8	23.7	high
Consumers Power	22	12.0	9.3	1.0	11.7	19	10.3	19.1	25	−0.6	−20.2	low
American Electric Power	23	11.8	14.2	1.6	9.8	9	13.1	17.9	24	0.0	33.8	very low
Duquesne Light	24	11.6	14.5	1.1	18.1	24	7.0	10.6	16	6.4	15.3	high
Detroit Edison	25	11.5	13.5	1.1	15.8	23	7.9	8.3	22	3.0	3.7	low
Medians		**14.1**	**15.4**	**1.0**	**11.7**		**12.4**	**8.0**		**7.9**	**3.7**	

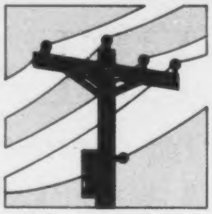
D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

and coal mining, areas that are growing faster than its utility operations. Most of the newly diversifying utilities have yet to derive major revenues from nonutility ventures. Still there is controversy over whether shareholders or rate payers should benefit from nonutility income.

Wall Street also appears to be losing some of its fear over the problems in this industry. Figures from Salomon Brothers show that in the second quarter of 1984 utility industry common stocks were priced at an average of 84% of book value. But during the third quarter, industry prices rose to 93% of book value.

The most profitable firm in the overall industry over the last five years is Southwestern Public Service, with an 18.4% long-term return on equity. Location is part of the explanation, since utilities in the region show the industry's highest five-year returns, 14.8%. Companies in the Southeast, where regulators take a more populist bent, are least profitable, with long-term returns of only 13%.



Richard Braatz, vice president of finance at EEI, warns of major supply shortages within the next ten years. The problem, he says, is that new facilities simply can't come on line quickly if shortages loom. Extending the useful life of aging plants will help. But new nuclear construction, requiring lead times of at least ten years, won't likely be started in this decade. Even coal plants take eight years to build. Alternative energy sources offer marginal help. So in ten years, Braatz predicts, these companies could once again be in the throes of crash construction programs. ■

Electric utilities

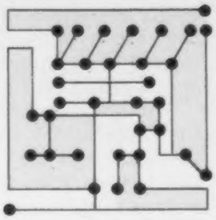
Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					**Sales**			**Earnings per share**			
Company	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Southeast												
TECO Energy	1	15.1%	17.1%	1.0	11.0%	12	11.5%	8.5%	7	4.5%	15.5%	low
Duke Power	2	14.4	15.0	0.8	17.8	9	12.4	10.8	5	6.1	8.0	high
Middle South Utilities	3	13.8	16.0	1.7	13.0	6	13.7	7.6	12	1.3	18.7	very low
Baltimore Gas & Elec	4	13.1	17.0	0.8	13.2	8	12.5	8.1	4	7.3	23.8	high
Southern Company	4	13.1	18.0	1.6	11.0	5	14.0	13.9	1	12.6	28.2	high
Florida Power & Lt	6	13.1	12.7	1.0	9.4	1	15.6	20.1	10	2.7	–8.1	low
Potomac Electric Power	7	13.0	17.0	1.0	12.0	13	11.4	1.5	2	9.2	20.9	very high
Carolina Power & Lt	8	12.9	14.7	0.9	14.5	4	14.6	14.6	13	1.1	14.7	low
So Carolina Elec & Gas	9	12.7	16.7	0.9	10.7	2	15.5	14.1	11	2.5	26.1	low
Florida Progress	10	12.3	14.0	1.5	7.8	7	13.0	1.9	9	3.2	4.2	low
Louisville Gas & Elec	11	11.7	14.7	0.9	9.4	3	14.6	7.6	6	4.5	20.6	low
Kentucky Utilities	12	11.5	14.1	0.8	12.7	11	11.6	6.9	3	8.4	13.5	average
Dominion Resources	13	10.5	12.8	1.2	10.2	10	11.8	2.4	8	3.7	16.8	average
Medians		**13.0**	**15.0**	**1.0**	**11.0**		**13.0**	**8.1**		**4.5**	**16.8**	
Southwest												
Southwestern Public Service	1	18.4%	21.8%	1.0	13.1%	4	15.5%	11.1%	3	8.8%	8.9%	high
Texas Utilities	2	16.1	16.6	1.0	13.2	2	18.6	15.4	2	10.8	14.1	very high
Central & South West	3	15.5	15.8	0.8	10.2	3	15.7	7.2	4	6.4	18.1	very high
Arizona Public Service	4	14.8	14.9	0.8	24.7	6	14.6	9.3	6	3.0	3.2	average
Gulf States Utilities	5	14.2	15.1	1.0	16.0	5	15.1	7.8	5	5.5	–3.3	high
Houston Industries	6	13.8	15.9	1.0	7.6	1	25.2	7.7	7	–2.6	153.7	very low
Oklahoma Gas & Electric	7	12.9	14.5	0.8	12.1	7	13.5	8.1	1	10.9	–1.5	average
Medians		**14.8**	**15.8**	**1.0**	**13.1**		**15.5**	**8.1**		**6.4**	**8.9**	
West												
So California Edison	1	15.4%	17.1%	0.9	15.5%	7	15.0%	9.4%	3	10.7%	3.9%	high
Montana Power	2	15.0	9.1	1.0	18.1	10	10.3	3.9	4	10.4	–36.3	very high
PacifiCorp	3	14.6	18.6	1.2	17.3	1	21.9	11.8	5	9.6	10.5	high
San Diego Gas & Elec	4	14.4	17.3	0.9	12.2	2	21.1	5.4	2	14.0	12.1	average
Portland General Elec	5	14.0	19.2	0.9	27.7	6	15.2	20.4	1	22.8	46.0	high
Pacific Gas & Electric	6	13.3	15.0	0.8	11.9	9	14.7	8.3	6	7.1	8.1	average
Puget Sound Power & Lt	7	12.6	9.4	0.9	19.7	5	15.8	27.4	9	2.7	–9.6	very low
Utah Power & Lt	8	12.4	12.2	0.9	16.9	8	14.8	12.5	7	6.1	–9.9	average
Public Service Colorado	9	11.7	14.2	0.8	6.5	4	18.0	4.7	8	5.9	20.2	average
Hawaiian Electric Inds	10	10.2	12.8	1.0	5.0	3	19.8	7.0	10	–0.9	61.2	very low
Medians		**13.7**	**14.6**	**0.9**	**16.2**		**15.5**	**8.9**		**8.4**	**9.3**	
Industry medians		**13.6**	**15.5**	**0.9**	**12.0**		**13.8**	**8.2**		**6.4**	**9.9**	
All-industry medians		**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

ELECTRONICS



For semiconductor makers, 1984 began with a bang. It ended with a whimper. On balance, however, the year was so good that it may be impossible to beat in 1985.

William Ylvisaker, chairman of Gould Inc., was optimistic about the electronics industry when he addressed security analysts recently. "Capital goods cycles historically last three to five years," he explained. "We are now only about 1½ years into this growth cycle. Based on worldwide efforts to increase productivity, we expect high-technology capital goods spending to continue at a high level through the remainder of this decade."

The basis for this upbeat assessment is obvious from a glance at the accompanying Yardsticks. Last year 12 of the 30 electronics firms on our list managed to top their five-year profitability figures. A year earlier only 3 of the 25 firms outdid their five-year averages. No less crucial, only 4 of the 30 companies last year reported declines in earnings per share, and in some cases those declines weren't caused by electronics.

Defense electronics companies posted enviable increases, benefiting from the high defense spending of the Reagan Administration. The boom in personal computers also fueled sales. And capital spending on nondefense goods, the things Ylvisaker is talking about, significantly improved. But the critical semiconductor sector of the industry found itself on a seesaw.

Semiconductor makers began last year marveling at how quickly their market turned up. They ended the year shocked at how fast it went down. "This went from an incredibly positive environment to a near disaster," says Michael Lauer, an analyst with C.J. Lawrence. "Overly optimistic OEMs [original-equipment manufacturers] overbooked, paying big premiums. They ended up canceling orders or overbuilding inventories."

Customers are now holding off orders until they use up their bloated inventories. The book-to-bill ratio, the industry's often-cited index of health, collapsed to 0.61 by November, its lowest level since 1977, when the measure was established by the Semiconductor Industry Association. The ratio means that incoming orders are 61% of shipments. It takes a figure of 1.2 for the industry to maintain 15%-to-20% growth rates.

In this environment, no wonder Honeywell plans to lay off more than 1,000 employees at its moneylosing Synertek semiconductor operations. The company also says it will sell its semiconductor subsidiary, even after making the transition from the troubled market for videogame circuits to the more promising industrial chip market. Texas Instruments—in the midst of a dramatic recovery after posting a $145 million net loss the year earlier—also intends to lay off 2,000 employees.

Despite this bitter end, 1984 will still go into the record books as a fantastic year. Semiconductor shipments worldwide jumped by 45%, to $26 billion. Motorola racked up strong gains, with earnings rising 88.1%. Ditto for Intel,

Electronics

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Equipment													
EG&G	37/ 56	1	30.3%	24.5%	0.1	5.2%	5	15.4%	19.0%	2	20.4%	20.8%	very high
AMP		2	24.4	25.9	0.1	10.8	12	11.7	29.9	5	7.9	44.4	average
Raytheon	56/ 76	3	23.2	12.0	0.1	5.1	8	13.1	12.2	6	7.7	–23.6	high
Hewlett-Packard	48/ 54	4	20.1	23.0	0.0	9.2	3	21.9	28.3	1	20.6	53.3	very high
M/A-Com	36/ 55	5	19.7	9.8	0.3	4.6	1	51.0	20.6	3	15.7	25.0	average
Warner Comm	32/DD	6	19.7	def	0.6	def	2	25.4	61.7		NM	D-D	NM
General Instrument	62/ 97	7	18.8	5.3	0.0	4.0	14	10.8	9.6	10	2.3	–53.9	very low
TRW	47/ 49	8	18.4	16.3	0.2	3.7	18	6.7	10.3	12	–0.5	40.6	very low

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

where earnings rose by 170.4%, and National Semiconductor and Texas Instruments, which went from red ink to profitability.

Some firms, including General Instrument and Gould, were zapped because of their exposure to the troubled videogame industry. Take a look at GI, a major maker of commodity-type read-only memories (ROMs) used in videogames. Its basic electronics business, accounting for 62% of sales, brought in 97% of the profits. Its semiconductor operations, 38% of revenues, provided a measly 3% in profit in 1983. There was an improvement last year but not nearly enough to make a big difference.

Schlumberger tops the profitability chart, but not because of its Fairchild semiconductor operations. Fairchild hasn't earned a profit since being acquired in late 1979 and is a major reason the company's electronics makes so small a contribution to corporate profits. Instead, the long-term performance of Schlumberger's oilfield services business gives the company its high rank.

By far the biggest mover and shaker on the list this year is Advanced Micro Devices. It posted a 12-month return-on-equity of 47.1% and a 12-month sales increase of 97%, which beats every other electronics firm on the roster. Per-share earnings jumped an amazing 276.7%, second only to Zenith Electronics, where a 309.6% rise stems largely from a comparison with a disastrous quarter a year earlier.

AMD is expected to top $1 billion in sales when its fiscal year ends in March. Quite a record for a firm that didn't make the Yardsticks last year because its sales were below our benchmark. The firm zoomed forward, avoiding many of the problems hurting other semiconductor companies, largely because its product line contains many proprietary and specialized chips where there is less competition from Japan. That's why its profit margins of 12.2% are more than double the industry's median.

What will happen next year? The semiconductor association predicts a 22% rise in shipments for 1985, for total sales of over $32 billion. But one skeptical analyst calls that forecast "ridiculous." He doesn't foresee a gain of more than 5%, which would make 1984's impressive performance impossible to repeat. And even the SIA may be backing off: A spokeswoman explains the association's numbers were crunched in late August when the outlook was more favorable than it is at present.

Semiconductor manufacturers will probably have little to cheer about until the middle of this year. By then, overstocked inventories should reach normal levels. And customers should start placing orders again. ■

Electronics

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Perkin-Elmer	50/ 53	9	18.0%	13.9%	0.1	5.6%	10	12.8%	18.2%	7	5.2%	52.7%	low
Tektronix		10	16.7	17.1	0.2	8.9	6	14.7	14.5	14	–3.3	140.0	very low
General Signal	44/ 56	11	15.7	12.6	0.1	5.7	16	8.3	16.4	11	2.0	26.5	very low
Sun Chemical	25/ 37	11	15.7	7.0	0.8	1.3	7	13.4	19.3	16	–29.3	–25.8	average
Insilco	36/ 41	13	15.6	12.9	0.4	5.1	17	7.0	18.3	13	–2.3	1.6	very low
Honeywell	44/ 42	14	14.3	12.9	0.3	4.0	15	9.9	5.4	9	3.1	28.0	low
North Amer Philips		15	13.6	14.7	0.4	2.5	13	11.3	19.0	8	3.1	38.9	low
Amer District Tel		16	13.0	6.3	0.2	5.4	11	11.8	4.1	4	10.4	–52.6	high
Gould	73/ 76	17	11.1	9.1	0.3	4.8	22	–7.0	15.0	15	–16.6	7.2	high
RCA	27/ 11	18	10.8	10.5	0.7	2.7	20	5.4	10.9		NM	29.8	NM
Varian Associates	63/ 83	19	9.3	16.5	0.1	5.9	9	12.9	22.1		NM	27.1	NM
Eaton	54/ 25	20	6.5	23.5	0.4	3.5	21	–3.3	32.9		NM	D-P	NM
Zenith Electronics	63/NA	21	6.3	17.6	0.3	3.4	19	6.3	21.9		NM	309.6	NM
Oak Industries	75/NA	22	def	def	2.6	def	4	19.6	–7.3		NM	D-D	NM
Medians			**15.7**	**12.9**	**0.3**	**4.7**		**11.8**	**18.3**		**0.8**	**26.5**	
Semiconductors													
Schlumberger	39/ 5	1	33.6%	19.4%	0.1	19.7%	5	16.9%	4.3%	2	19.0%	0.8%	high
Advanced Micro		2	23.6	47.1	0.1	12.2	1	26.2	97.0	1	19.6	276.7	average
Intel		3	20.7	19.8	0.1	10.3	3	18.6	50.2	6	–2.7	170.4	very low
General Instrument	38/ 3	4	18.8	5.3	0.0	4.0	8	10.8	9.6	5	2.3	–53.9	very low
Avnet	77/ 79	5	17.9	15.6	0.2	5.3	9	6.1	37.5	4	5.0	53.4	low
Motorola	51/ 77	6	15.7	20.3	0.1	5.6	6	13.5	31.1	3	5.6	88.1	average
Natl Semiconductor	67/ 86	7	14.6	16.2	0.0	3.4	4	18.3	35.5		NM	D-P	NM
Texas Instruments	65/DD	8	10.6	27.4	0.2	def	7	11.6	25.9		NM	D-P	NM
Arrow Electronics	89/ 96	9	10.4	20.4	1.9	0.9	2	24.7	48.8		NM	D-P	NM
Medians			**17.9**	**19.8**	**0.1**	**5.3**		**16.9**	**35.5**		**2.3**	**70.8**	
Industry medians			**15.7**	**15.9**	**0.2**	**4.9**		**12.8**	**19.2**		**0.8**	**27.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

FINANCIAL SERVICES

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JOHN E

Business was great last year for the folks who make small loans. But it was lousy for people who sell stocks and bonds. If things don't change, there may be lots of brokers lined up in front of the finance company.

ASK BRENDA DAVIS, an analyst at Mabon, Nugent, what she thinks of the brokerage industry's performance last year, and she emits a loud Bronx cheer.

The president of the Securities Industry Association, Edward O'Brien, is a bit more decorous but no less blunt. At the association's annual meeting in Florida, he called 1984 the worst year since 1977. The Yardsticks tell the tale: The median return on equity of these firms slumped to 10.3% for the most recent 12 months, compared with 29.5% for the same period one year earlier. Brokers, in fact, dragged down the entire financial services group, which showed a 13.6% decline in earnings during 1984.

Even the star of the industry, Student Loan Marketing Association, does well for special reasons. Sallie Mae is a financial intermediary with its own niche: It provides liquidity for government loans. The corporation's stellar 35.7% five-year return on equity is immune from broader industry trends.

Much of the securities firms' trouble stems from declining markets, which kept customers away from their brokers in droves. Lots of the profit vanished with them. Earnings at the six trading companies were down more than 50%. Revenues were up only 8.5%, a fraction of the five-year growth rate. None of the trading companies list-

Financial services

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Financial services													
Student Loan		1	35.7%	28.9%	0.4	7.4%	1	70.9%	37.7%	1	60.1%	40.9%	high
American Express	61/133	2	21.1	10.3	0.7	5.3	3	19.7	25.6	4	4.4	–44.3	average
Equifax	89/ 97	3	20.5	21.9	0.3	3.8	7	8.8	4.5	2	10.9	7.3	high
Transamerica		4	15.1	7.6	1.2	3.8	9	4.6	9.5	7	–3.4	–35.6	low
Household Intl	14/ 49	5	11.4	14.6	2.3	2.6	4	12.4	4.3	6	–2.2	17.1	very low
Control Data	25/ 28	6	10.9	2.7	2.6	3.5	5	10.4	10.9	3	10.0	–68.6	high
Avco	45/ 52	7	10.9	10.0	2.2	3.7	6	9.7	6.7	8	–19.0	58.9	high
Gulf & Western	22/ 34	8	10.6	13.7	0.5	6.2	10	–0.9	13.3		NM	D-P	NM
Sears, Roebuck	28/ 44	9	10.2	14.4	0.8	3.6	8	7.7	12.8	5	3.8	18.0	low
Beneficial Corp	71/ 85	10	4.7	11.7	3.4	6.3	11	–3.9	14.0		NM	44.0	NM
Federal Natl Mortgage		11	def	def	3.4	0.9	2	19.9	5.4		NM	P-D	NM
Medians			**10.9**	**11.7**	**2.2**	**3.8**		**9.7**	**10.9**		**–2.2**	**12.2**	

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Sources: Media General Financial Services, Inc.; Forbes

ed in the Yardsticks came close to its five-year earnings average either, and all but two showed declines.

Merrill Lynch, for example, slashed overhead during the year, but even cost-cutting didn't prevent the nation's biggest broker from turning in the poorest performance. Its profits dropped more than 95%, the worst drubbing since the firm went public in 1971.

You could hear the same sad stories all over Wall Street. Beleaguered E.F. Hutton not only had to worry about trading profit declines, but the ghost of previous errors also came back to haunt third-quarter earnings. Hutton was forced to add $4 million to reserves to cover the single-premium deferred annuities it sold for now-bankrupt Baldwin-United.

The changing nature of the stock market, however, buoyed earnings at Phibro-Salomon and Donaldson, Lufkin & Jenrette. These brokers primarily serve institutional customers. As a result, they managed to post slim earnings gains. Phibro, for example, is a leading player in the burgeoning fields of mortgage-backed and government securities, which helped boost profits last year. Still, poor performance at Philipp Brothers, its commodity trading affiliate, hurt overall results.

First Boston doesn't deal with small investors either—and its reported profitability is deceptive, too. The current comparison is with unusually strong results posted during the recent bull market.

At DLJ, Alliance Capital, which manages money, contributed more than one-third of total profits. That helped push earnings up 6.5%, for the best gain in the business. Also, no doubt, Alliance helped attract Equitable Life Assurance, which agreed to pay $460 million to buy DLJ in November.

Reduced loan losses helped the financial services companies do better than their trading and brokerage counterparts. Still, only 3 of the 11 companies in this subgroup outperformed their five-year averages. Note, however, at every diversified company financial services operations contributed a higher share of profits than revenues.

Consider Equifax, which ranks second in the subgroup. Its financial control services division provides customer credit records for businesses, and this market got a boost from the consumer-driven recovery. The more people spend, the greater the demand for credit information, and Equifax has helped meet this demand by enlarging its network of credit bureaus in the U.S. and Canada. Profits have grown apace: Last year this segment of the company's operations accounted for 60% of the total earnings, up from 32% in 1982.

Sometimes, of course, good times can backfire. Over the past several years Household International has steadily increased margins at its consumer loan subsidiary by closing 25% of the firm's offices. That cut costs, but it also made the parent an attractive acquisition target. As a result, Household now hovers behind a controversial "poison pill" defense strategy, which management hopes will limit the firm's takeover appeal.

Avco, meanwhile, leads the pack in annual earnings growth with a gain of 58.9%—a remarkable performance in light of its sorry five-year record. This turnaround also drew outside attention. After staving off two takeover attempts last year, Avco accepted Textron's friendly $1.4 billion bid in December.

Even though 1984 was a good year for most finance companies, Control Data is leaving the field. It moved into consumer credit in 1968 to help fund the sale of computer products and smooth cyclical earnings swings. But now its traditional business is bad, and selling off financial operations will help raise cash.

While others slim down, the industry's giants still expand. American Express spent over $1.1 billion to buy Lehman Brothers and Investors Diversified Services last year. Even so, it racked up a 44.3% earnings decline and missed its impressive five-year profitability average by an even bigger margin. A 25% profit gain from its travel-related services division helped cushion the fall, as did low overhead at the Shearson Lehman division, but neither was enough to offset insurance troubles at Fireman's Fund.

Sears is also expanding by buying a bank in Delaware, and there is talk of a new proprietary credit card. Fortunately, it managed an above-average 18% earnings increase. But the gains came from better retailing margins, not from the commissions made by brokers at the Dean Witter kiosks in 300 Sears stores. ■

Financial services

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Trading													
Phibro-Salomon	8/ 65	1	36.7%	20.7%	0.3	1.6%	6	23.7%	0.9%	5	22.5%	1.2%	average
E F Hutton	84/ 86	2	30.8	6.3	0.4	5.1	2	31.7	16.0	3	24.7	–75.2	high
First Boston		3	29.7	19.6	0.1	5.4	1	47.2	26.8	1	98.8	–28.4	high
Merrill Lynch	89/ 91	4	21.3	1.3	0.7	4.0	3	31.4	–1.0	4	23.5	–95.9	average
Paine Webber		5	19.6	3.8	0.5	5.9	4	30.8	0.8		NM	–86.1	NM
Donaldson, Lufkin		6	15.0	14.3	0.4	3.3	5	23.8	23.5	2	41.8	6.5	very high
Medians			**25.5**	**10.3**	**0.4**	**4.5**		**31.1**	**8.5**		**24.1**	**–51.8**	
Industry medians			**15.1**	**11.7**	**0.7**	**3.8**		**19.7**	**10.9**		**4.4**	**–13.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

FOOD PROCESSORS

Take a long look at these companies. Several of them will not be here next year. And some of the best performers are those that haven't diversified.

THE LIST OF 57 COMPANIES in this industry will be a lot shorter in 1986. Takeovers among food processors have become as common as cents-off coupons. In the past year there have been more than a dozen. The moves range in size from Nestlé's $3 billion acquisition of Carnation to Dart & Kraft's estimated $25 million takeover of tiny Celestial Seasonings, a Colorado-based maker of herb teas.

What's more, the trend is continuing. Managements at food companies doing the buying seem to think it is cheaper to acquire existing brand names than to create new ones of their own. That is yet to be proved. But this much is certain: Burned by their attempts to diversify outside their basic industry, food processors are looking for acquisitions closer to home. The Forbes Yardsticks indicate that this is probably a smart strategy.

Consider the branded food subgroup, which includes such household names as Campbell Soup, Heinz and Pills-

Food processors

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —sector— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Commodities													
Savannah Foods		1	26.0%	20.2%	0.2	5.3%	4	11.0%	22.5%		NM	–24.9%	NM
ConAgra	56/ 42	2	26.0	16.9	0.6	1.6	1	35.6	64.4	1	14.6%	0.7	high
Pioneer Hi-Bred Intl		3	23.6	19.6	0.1	8.6	3	14.3	41.7	3	13.0	58.4	low
Ralston Purina	43/ 20	4	16.7	22.0	0.3	5.3	12	0.4	2.2	4	10.8	3.9	very low
Archer Daniels		5	16.3	7.3	0.3	2.4	2	18.3	4.3	2	14.2	–7.0	low
A E Staley Mfg		6	15.7	5.4	0.4	0.6	7	6.3	27.4	8	–6.3	306.5	very low
Intl Multifoods	63/ 53	7	14.7	10.9	0.4	3.1	8	3.1	3.6	5	10.2	–27.6	high
Kay	72/ 39	8	13.5	7.2	2.3	0.3	9	2.6	40.7		NM	–46.8	NM
Federal Co	74/ 82	9	13.1	20.8	0.2	3.2	5	9.9	17.3	6	–1.4	80.5	very low
DEKALB AgResearch	59/ 29	10	10.4	8.2	0.4	2.4	6	8.2	13.1	10	–17.0	121.5	average
Anderson, Clayton		11	9.7	4.7	0.1	2.5	10	2.3	18.2	7	–5.6	–19.4	very low
Central Soya		12	9.5	7.1	0.3	1.7	11	0.8	14.2	9	–8.2	–10.1	average
Medians			**15.2**	**9.6**	**0.3**	**2.4**		**7.3**	**17.8**		**–3.5**	**–3.2**	
Branded foods													
Kellogg		1	27.7%	25.4%	0.0	10.2%	19	7.5%	7.2%	10	11.1%	1.6%	very high
ConAgra	43/ 58	2	26.0	17.8	0.6	1.6	1	35.6	64.4	5	14.6	0.7	high
R J Reynolds Inds	39/ 21	3	24.6†	19.0	0.3	8.1	4	15.2‡	5.4	19	9.4‡	13.4	high
Dean Foods		4	23.5	23.3	0.3	2.6	6	14.6	11.5	1	20.7	23.5	very high
Chesebrough-Pond's	24/ 30	5	21.8	17.4	0.2	7.6	14	11.5	9.9	12	11.0	–5.1	high

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Sources: Media General Financial Services, Inc.; Forbes

bury. Of the 35 companies here, 20 have diversified. But only a third have done so successfully. Of the 20, only 6 report that they are doing better outside their food business than they are inside.

But those firms are the exception. Companies like General Mills, General Foods and Hershey still make more money from things like cereals, coffee and chocolate than they do from their diversifications.

Look at the Yardsticks another way, and it is easy to see the less-than-thrilling profits that result when food processors move away from the mill. Compare the 20 branded food companies that have diversified with the group as a whole. All the companies in the branded foods subgroup posted a 17.4% return on equity last year. But the figure for diversified companies was only 16.2%. That lower return on equity was achieved on higher debt. For the entire group, debt-to-equity ratios averaged 30%. But at diversified companies this figure came to 40%. Borrowing, pre-

Food processors

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —sector— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Hershey Foods	67/ 80	6	19.9%	17.5%	0.2	5.9%	3	15.3%	10.4%	3	16.7%	11.7%	very high
Flowers Industries		7	19.9	18.7	0.4	3.7	10	12.7	14.6	6	13.4	12.9	very high
H J Heinz		8	19.5	22.0	0.3	6.0	11	12.7	7.0	2	17.1	15.8	very high
General Mills	48/ 56	9	19.1	17.5	0.3	4.2	12	11.7	1.1	7	13.2	–10.6	very high
Nabisco Brands		10	19.1	17.7	0.3	5.4	21	5.6	6.8	9	12.9	8.4	very high
PepsiCo	30/ 54	11	18.9	11.2	0.5	3.6	9	13.3	17.9	25	2.6	19.8	low
Curtice-Burns		12	18.3	20.1	1.7	1.6	5	14.8	23.0	11	11.0	19.6	high
Carnation	82/ 82	13	18.0	18.0	0.1	5.8	20	5.6	2.7	13	11.0	8.6	very high
CPC International		14	17.8	10.5	0.2	3.4	26	4.2	7.4	26	1.0	–34.8	very low
Pillsbury	42/ 39	15	17.6	17.4	0.5	4.1	2	16.4	12.0	18	9.7	17.6	very high
Consolidated Foods	49/ 47	16	17.2	20.3	0.3	2.7	13	11.7	–0.2	8	12.9	13.3	very high
McCormick		17	17.1	28.7	0.3	5.4	8	14.2	4.1	4	15.5	104.9	high
General Foods	88/ 94	18	16.8	17.4	0.4	3.7	15	10.4	4.3	22	4.3	21.0	low
Ralston Purina	38/ 62	19	16.7	22.0	0.3	5.3	33	0.4	2.2	14	10.8	3.9	very low
Universal Foods		20	16.6	10.2	0.4	4.0	7	14.3	11.2	15	10.6	–41.2	average
Gerber Products	84/ 92	21	16.2	16.2	0.2	6.2	18	9.1	10.5	17	10.1	14.8	high
Quaker Oats	76/ 79	22	15.3	19.5	0.3	4.1	17	9.6	25.4	27	–1.5	117.2	very low
Wm Wrigley Jr		23	15.0	16.7	0.0	6.7	22	5.4	2.0	24	3.1	9.5	low
Dart & Kraft	68/ 58	24	14.9	15.4	0.2	4.5	25	5.1	1.5	23	4.1	8.7	average
Campbell Soup		25	14.9	16.6	0.2	5.2	16	10.3	11.1	21	6.5	15.8	high
Beatrice	78/ 67	26	14.8	22.2	0.4	4.6	26	4.2	9.9	31	–11.9	500.0+	very low
Intl Multifoods	34/ 38	27	14.7	10.9	0.4	3.1	29	3.1	3.6	16	10.2	–27.6	high
Borden	69/ 62	28	12.9	13.8	0.3	4.4	30	1.1	9.8	20	9.1	11.7	very high
American Maize	77/ 90	29	8.3	9.2	0.6	1.1	32	0.7	20.4	28	–8.7	192.6	very low
Di Giorgio	23/ 42	29	8.3	2.9	1.0	0.8	31	0.9	20.2	30	–9.3	–45.3	high
IC Industries	41/ 54	31	7.9	11.0	1.0	2.5	24	5.2	1.7	29	–8.9	152.8	low
Castle & Cooke		32	2.4	def	0.8	def	28	3.6	1.7		NM	P-D	NM
United Brands		33	1.2	6.3	0.8	1.4	35	–1.1	–3.1		NM	D-P	NM
American Bakeries		34	def	11.5	0.5	0.7	34	–0.7	–0.4		NM	D-P	NM
Interstate Bakeries		35	def	def	0.7	def	23	5.4	5.1		NM	D-D	NM
Medians			**16.8**	**17.4**	**0.3**	**4.1**		**9.1**	**7.2**		**9.7**	**11.7**	
Meatpacking													
Occidental Petroleum	34/ 3	1	33.2%	13.8%	0.6	2.5%	2	24.5%	–16.9%		NM	D-P	NM
Smithfield Foods		2	17.8†	5.6	2.0	0.4	1	34.8‡	–6.8	4	–23.5%‡	–77.2%	average
Swift Independent		3	17.0	12.2	0.7	0.9	6	6.5	10.9		NM	–33.3	NM
Idle Wild Foods		4	15.8	7.3	0.3	0.7	7	4.9	24.1	3	–4.7	1.7	very low
George A Hormel		5	14.5	11.2	0.3	2.0	9	2.3	2.6	1	3.5	5.9	low
Tyson Foods		6	14.4	27.2	1.2	1.8	4	16.9	24.3	2	3.3	64.1	very low
Monfort of Colorado		7	12.5	23.4	0.2	1.2	3	21.7	8.5		NM	0.0	NM
Thorn Apple Valley		8	11.8	3.0	1.1	0.3	5	10.2	–4.1		NM	–84.5	NM
Wilson Foods		9	def	def	1.7	def	10	–0.3	–13.5		NM	D-D	NM
Rath Packing		10	def	def	5.5	def	8	3.5	–39.1		NM	D-D	NM
Medians			**14.5**	**9.3**	**0.9**	**0.8**		**8.4**	**–0.8**		**NM**	**–33.3**	
Industry medians			**16.0**	**15.8**	**0.3**	**2.9**		**8.6**	**9.2**		**3.2**	**8.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

In Tokyo, one hotel's guest register reads like a Who's Who in the world of business and finance.

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sumably, is how they financed those costly acquisitions.

The comparisons hold in other areas. Five-year earnings-per-share gains for all branded food companies averaged 9.7%. Diversified companies did half as well. It is not only a short-lived phenomenon, either. The companies that diversified also underperform the group on five-year return on equity. It is not surprising that, among the top ten branded food companies, firms that have not diversified are overrepresented. Think of the industry along these lines, and it is no shock at all that venerable Kellogg of Battle Creek, which makes Corn Flakes, Rice Krispies and Froot Loops, tops the long-term profitability roster.

Results like these are enough to give a food company's planners second thoughts about moving into cosmetics or toys and games, apparel or restaurants. Sure, diversification can improve a company's image. After all, manufacturing food does not give you the status of a rock star nor does it have the glamour of genetic engineering. But history seems to indicate that, for these companies, straying far afield doesn't do all that much for the bottom line.

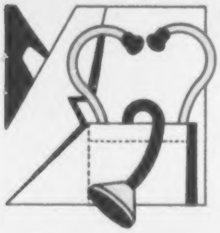
So, back to fundamentals—and the timing couldn't be better. Commodity prices are expected to be lower in 1985 and nonfood costs are stable. The 1984 corn harvest was up 81%, versus a depressed level for the previous year. The supply of soybeans should climb 5%, and recently its price was down 30%, corn prices were off 22% and wheat was about the same as it was a year ago.

This is good news for Archer-Daniels-Midland and other companies that process soybeans, corn and flour. It means they can use more of their capacity and reduce unit costs. That ought to improve their profitability, and it should also mean lower ingredient costs for companies that use their output as raw materials.

All this probably means that the industry's net margins will improve even more. But food processors are already on a roll. Margins increased to 2.9% this year, thanks to cost-cutting measures triggered by the recent recession. The margin gains also give packaged food companies more marketing money, of course. That lets them fight even harder for space on the grocer's shelf.

Given the appetizing short-term outlook and the dubious long-term results of diversification, expect food processors planning acquisitions to shop close to home. ■

HEALTH CARE



The new guidelines designed to limit Medicare costs are causing substantial problems for these companies. Optimists, however, say that the worst may be over.

REVENUES ARE DOWN SUBSTANTIALLY, but health care companies are finding ways to earn more on each sale. That seems to be the result of the health care industry's first year under new federal legislation designed to reduce Medicare costs.

As the Yardsticks show, sales in 1984 were 30% less than the industry's five-year average. Earnings were also off substantially, but they did not fall so far. Thanks to cost-cutting and tighter controls, however, these companies managed to hold net margins at 7.6%—the same as last year's median.

In 1985 look for health care companies to continue to grope for ways of dealing with the new diagnosis related groups (DRG) guidelines, imposed by the federal government in October 1983. Under the rules, which are being phased in over three years, hospitals are no longer reimbursed by Medicare for all reasonable costs. Instead, they receive a fixed payment determined by the patient's diagnosis. If actual costs exceed the DRG payment, the hospital must make up the difference. However, if the final bill is less than the government's allocation, the hospital keeps the difference. This gives hospitals, even nonprofit ones, a major incentive to trim costs.

The change has led to patients' staying fewer days in

Health care

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Drugs													
FoxMeyer		1	64.1%†	11.6%	0.3	1.1%	1	42.1%‡	43.5%	2	24.1%‡	5.3%	high
Bergen Brunswig	80E/80E	2	41.1	14.7	0.1	1.3	2	26.1	20.1	1	25.1	–3.3	very high
SmithKline	51/ 68	3	35.7	24.5	0.0	17.3	3	22.8	0.4	6	15.7	4.8	very high
American Home	60/ 77	4	34.0	32.9	0.0	12.9	13	9.9	12.7	9	12.6	11.6	very high
Bindley Western		5	33.8	13.3	0.0	0.6	4	20.3	14.7	3	20.9	8.5	very high
Abbott Labs	54/ 61	6	24.6	27.2	0.3	11.9	6	15.2	7.4	5	17.8	18.5	very high
Bristol-Myers	38/ 42	7	23.3	24.2	0.1	10.4	14	9.8	7.4	8	14.1	15.9	very high
Merck	81/ 92	8	22.8	19.8	0.2	13.9	12	9.9	8.5	14	6.8	8.6	high
Rorer Group	62/ 67	9	22.4	19.9	0.2	8.9	5	16.1	16.9	15	6.5	7.2	high
Eli Lilly	56/ 82	10	22.2	23.0	0.0	15.1	10	10.3	2.8	12	9.0	13.5	very high
G D Searle		11	20.8	20.7	0.2	16.0	23	2.5	0.9	4	17.9	1.0	very high
Johnson & Johnson	34/ 12	12	19.9	15.6	0.1	8.2	7	11.2	2.8	11	10.3	–5.7	high

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see p. 46. *Sources: Media General Financial Services, Inc.; Forbes*

hospitals, and that translates to less revenue for the makers of hospital supplies and hospital management companies. In fact, only one hospital management company—American Medical International—managed to outperform its five-year earnings average.

The drug companies are adversely affected, too, since they receive about 20% of their revenues from hospitals. Shorter patient stays mean fewer drugs used. Hospitals are also insisting on lower prices from suppliers—and switching to generics wherever possible—to stay within the DRG guidelines. The result has been price-cutting, which hurts profits. Note, for example, the unusual 5.7% earnings decline at Johnson & Johnson.

So much for the bad news. The good news is that all health care companies have had a year's experience dealing with DRGs, and they now know what to expect. Drug prices have slowed—for the moment, anyway.

The new regulations also have forced many companies to take a hard look at the way they do business. Hospital Corp. of America, for example, launched major cost-cutting campaigns. And at American Hospital Supply, management moved more production to tax-sheltered Puerto Rico, which boosts net income.

Executives at other firms are studying the way DRG reimbursements will alter health care delivery. Their goal is to reposition themselves to succeed in the new market. Shorter hospital stays will mean more reliance on precise testing and in-home care. One result: Baxter Travenol is expanding into home health care. Bergen Brunswig also completed what is surely one of the nation's most unusual mergers; it plans to combine with National Intergroup, which makes steel and operates thrift institutions.

In studying these Yardsticks, note that nearly all 40 companies have room to maneuver. By almost any measure, performance is well above average. The group is fourth among all 42 industries in terms of five-year return on equity. Aside from the five firms in the capital-intensive hospital management field, debt is unusually low. ■

Health care

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Upjohn	66/ 96	13	19.4%	16.4%	0.5	8.0%	17	8.0%	11.2%	17	1.3%	13.6%	very low
Pfizer	62/ 88	14	18.7	22.8	0.2	11.9	15	9.2	7.1	10	11.3	15.7	high
Schering-Plough	55/ 61	15	17.8	13.7	0.1	10.5	11	10.0	0.2	19	–2.5	–3.6	low
Bausch & Lomb		16	16.7	15.0	0.3	7.5	21	3.5	39.2	21	–3.4	33.9	very low
Revlon	53/ 62	17	16.6	11.9	0.5	4.7	9	10.5	1.6	24	–10.5	43.2	average
Sterling Drug	46/ 48	18	16.4	15.5	0.1	7.2	18	7.3	0.0	13	6.8	6.9	high
McKesson	57/ 40	19	15.8	12.6	0.3	1.6	19	4.8	14.0	20	–3.2	–0.3	low
A H Robins		20	15.5	9.7	0.1	10.3	16	8.9	11.3	7	14.3	–41.4	average
Squibb	59/ 72	21	14.0	15.5	0.2	9.8	22	3.1	5.2	16	3.9	11.6	low
Becton, Dickinson	84/ 95	22	12.9	10.6	0.5	3.2	8	10.7	0.7	22	–4.8	77.2	very low
Amer Cyanamid	27/ 49	23	11.7	13.7	0.3	4.7	20	4.5	10.0	18	–0.9	45.6	very low
Warner-Lambert	NA/NA	24	10.1	15.6	0.4	6.5	24	1.1	2.8	23	–5.9	14.0	very low
Medians			**19.7**	**15.5**	**0.2**	**8.6**		**9.9**	**7.4**		**7.9**	**10.1**	
Health care													
SmithKline	29/ 7	1	35.7%	24.5%	0.0	17.3%	1	22.8%	0.4%	3	15.7%	4.8%	very high
Abbott Labs	45/ 38	2	24.6	27.2	0.3	11.9	3	15.2	7.4	1	17.8	18.5	very high
Bristol-Myers	26/ 30	3	23.3	24.2	0.1	10.4	8	9.8	7.4	4	14.1	15.9	very high
Rorer Group	37/ 32	4	22.4	19.9	0.2	8.9	2	16.1	16.9	6	6.5	7.2	high
Whittaker	59/ 94	5	20.4	15.0	0.4	2.3	5	13.7	–6.0	8	3.5	58.1	very low
Alco Standard	24/ 15	6	19.4	15.5	0.4	2.0	6	13.0	23.6	7	4.2	5.6	average
Baxter Travenol		7	18.7	15.7	0.2	11.8	7	12.6	0.2	2	17.2	–15.2	very high
Amer Hospital		8	18.0	16.5	0.1	6.4	4	13.9	4.9	5	14.1	3.3	high
Corning Glass	33/ 33	9	11.6	5.6	0.3	5.8	9	4.6	8.8	10	–10.1	–23.6	average
Warner-Lambert	NA/NA	10	10.1	15.6	0.4	6.5	10	1.1	2.8	9	–5.9	14.0	very low
Sybron	84/ 77	11	4.0	def	0.5	def	11	–3.1	–9.5		NM	D-D	NM
Medians			**19.4**	**15.7**	**0.3**	**6.5**		**13.0**	**4.9**		**6.5**	**5.6**	
Hospital management													
Humana		1	38.3%	30.8%	1.6	9.1%	5	21.2%	11.1%	1	47.0%	20.2%	very high
Amer Medical		2	23.8	28.3	1.4	7.6	4	33.1	11.5	5	24.5	1.9	very high
Beverly Enter		3	22.9	11.5	2.1	3.2	1	55.3	29.0	4	25.7	18.2	very high
Natl Medical Enter		4	22.6	18.0	1.2	5.9	2	54.8	15.5	2	32.4	17.4	very high
Hospital Corp		5	21.6	18.2	1.1	7.6	3	39.8	6.7	3	29.1	20.9	very high
Medians			**22.9**	**18.2**	**1.4**	**7.6**		**39.8**	**11.5**		**29.1**	**18.2**	
Industry medians			**19.9**	**15.6**	**0.3**	**7.6**		**10.5**	**7.4**		**10.3**	**8.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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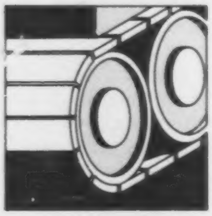
Sources: Media General Financial Services, Inc.; Forbes

HEAVY EQUIPMENT



Business is bad, and this industry is digging in. Despite the slump, however, strong firms are picking up weak ones. And troubled companies are bolstering their balance sheets.

The economic recovery continues to elude the heavy equipment industry. For the latest 12 months, these 14 firms show a negative return on equity. In terms of five-year profitability, the group weighs in with a low 2.5%. Only the auto industry has a weaker record.

Look first at the agricultural equipment subgroup, which has been hurting since the government's 1983 payment-in-kind program reduced farm output. With fewer acres to tend, farmers weren't eager to replace equipment. Last year government policy changed and plantings increased, but commodity prices remained depressed.

That left implement producers in a bind. They had lots of inventory and their customers didn't have much money. The result was a costly round of price-cutting and below-market financing. Also, the strong dollar and lower energy and minerals prices limited Third World sales.

The effect of all this was dramatic: International Harvester plans to leave the farm equipment business by selling its agricultural operations to Tenneco's Case division for about $430 million. Harvester, which has lost money since 1980, will retain about $1 billion in tax-loss carryforwards and will have some $500 million in write-offs. By concentrating on its profitable heavy truck and diesel engine operations, the company hopes to become profitable this year.

But this consolidation threatens already-weakened Allis-Chalmers and Massey-Ferguson, two firms also in the diesel market. Allis has lost money four years in a row. It shut down tractor and combine operations late in 1984 and will not reopen them until sometime in the first quarter of 1985. The company is also talking to creditors about restructuring its debt.

Meanwhile, Massey-Ferguson may earn a few pennies per share in 1984. But this is little consolation after losing almost $1 billion since 1978. The company has had two capital restructurings during the last four years, and its common shares have ballooned from 18.3 million in 1980 to over 100 million today. More than 19 million warrants are likely to dilute stockholders' equity even more.

John Deere, the world's largest producer of farm equipment, is troubled, too. But it's doing lots better than the competition. Deere has a five-year average return on equity of 8.8%. But for the most recent 12 months, that figure dropped to only 5.7%.

The austerity measures in effect at Deere illustrate the industry's plight. At the moment, the firm is cutting 1,00

Heavy equipment

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Agricultural													
Deere	83/157	1	8.8%	5.7%	0.5	0.6%	1	−1.2%	6.4%	1	−40.9%	D-P	high
Allis-Chalmers	39/DD	2	def	def	0.7	def	2	−5.9	2.7		NM	D-D	NM
Intl Harvester	37/DD	3	def	NE	5.3	def	4	−13.3	−2.3		NM	D-D	NM
Massey-Ferguson	80E/NA	4	def	NE	6.1	def	3	−12.0	−15.9		NM	D-D	NM
Medians			def	NE	3.0	def		−9.0	0.2		NM	D-D	

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Sources: Media General Financial Services, Inc.; Forbes

employees from its salaried staff. It also is spending heavily to help its nationwide network of dealers finance bulging inventories. This means that even when demand picks up, new orders won't immediately flow in.

The strong dollar and foreign competition also have hurt companies that make construction and mining equipment. Weakness in the oil patch has reduced income at those firms that sell in energy-related markets. To boost bottom lines, meanwhile, executives in this industry have pruned operations, turned toward foreign sourcing and broadened their product lines by making acquisitions.

Although Wyman-Gordon leads this subgroup with a five-year average return on equity of 20.6%, only 42% of its sales come from construction and mining equipment. The situation at American Hoist & Derrick indicates the depth of the downturn. Until 1982 it made money for 43 years in a row. Since then the company has lost money.

Caterpillar Tractor, the largest heavy equipment builder, also has lost money since 1982. It isn't likely to report a profit for 1984, either. Revenues rose 44.9% during the last 12 months. But the strength of the dollar is limiting Caterpillar's recovery. In the third quarter of last year U.S. sales increased 14%, but foreign sales declined 6%.

The austerity moves at Caterpillar parallel those at John Deere. It is laying off employees and closing facilities. But the company has a strong enough balance sheet that it can still concentrate on its strengths. To that end, Cat is currently emphasizing research and development.

Over the next few years, the company has plans to introduce as many as 50 new or improved products. Since business is tough all over the world, Caterpillar executives reason, creating new models now will give them the jump on the competition when good times return. The strategy is to create more up-to-date versions of existing machines and to introduce equipment that serves specialty markets.

These areas, which Cat often has shunned because of the limited sales potential, can provide unusual profit margins. "When business was good, we couldn't build the big machines fast enough," says a company official. "Now we're not doing anything brand new. We're simply building smaller versions of our traditional equipment—new wheel-type and track-type excavators, for example, that are good for small-scale utility construction."

In other markets, however, the downturn has been less severe. Amsted Industries, which ranks third in the building and mining subgroup in terms of long-term profitability, has weathered the falloff in demand better than competitors. Profits returned to this railroad equipment maker in 1984, after a loss in 1983. Amsted also has one of the industry's cleanest balance sheets.

More good news comes from Clark Equipment, which managed a 66.3% jump in earnings over the last 12 months. It acquired Euclid, a manufacturer of heavy trucks from Daimler-Benz. Clark is also phasing out production in Cleveland and has made sourcing changes in a redesigned line of forklift trucks.

These products are Clark's traditional mainstay, and Clark is a market leader. Lately tough competition has forced the company to cut prices on many of its older models. This hurts profits. In the other areas of the business, however, Clark's position is less strong—and it often winds up the victim in the war between the industry's two giants, Caterpillar and Japan's Komatsu.

Then there is fourth-ranked Ampco-Pittsburgh, which is diversifying out of its heavy dependence on railroad equipment. In 1984 it acquired Vulcan Inc., a manufacturer of ingot molds and materials handling equipment, and Union Electric Steel. Ampco should show profits in fiscal 1984—the first time since 1981.

Because of repeated losses over the last half-decade, neither Harnischfeger nor Pettibone gets a rating for five-year profitability. During the last 12 months, however, Harnischfeger made money. It now plans to import its construction cranes from Kobe Steel of Japan. Pettibone, meanwhile, remains the most leveraged company of the group. Its debt-to-equity ratio is a staggering 7.9. ■

Heavy equipment

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Building and mining													
Wyman-Gordon	42/NA	1	20.6%	13.3%	0.1	12.2%	3	2.1%	5.1%	1	17.8%	2.8%	average
Joy Manufacturing	89/ 89	2	13.3	6.5	0.1	0.5	4	1.4	7.6	2	–27.1	500.0+	very low
Amsted Industries	28/DD	3	13.1	6.8	0.0	def	8	–7.8	27.8		NM	D-P	NM
Ampco-Pittsburgh	47/PD	4	8.6	1.8	0.8	def	1	9.8	51.6		NM	D-P	NM
Caterpillar Tractor		5	7.7	def	0.6	def	5	–5.2	44.9		NM	D-D	NM
Bucyrus-Erie	58/DP	6	2.8	def	0.2	def	2	2.6	–27.9		NM	D-D	NM
Clark Equipment	78/ 2	7	2.2	5.8	0.3	1.4	10	–12.1	37.1		NM	66.3	NM
Amer Hoist		8	0.2	def	0.7	def	5	–5.2	–6.6		NM	D-D	NM
Harnischfeger		9	def	2.5	1.4	def	7	–7.5	8.2		NM	D-P	NM
Pettibone	83/DD	10	def	def	7.9	def	9	–11.0	5.0		NM	D-D	NM
Medians			5.2	2.2	0.4	def		–5.2	7.9		NM	D-D	
Industry medians			2.5	def	0.6	def		–5.5	5.8		NM	D-D	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

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Sources: Media General Financial Services, Inc.; Forbes

INDUSTRIAL MACHINERY

Capital spending is what keeps these companies humming. It took off last year, but something unusual happened: The benefits weren't as lavish as they should have been.

LAST YEAR there was a major capital spending boom. Overall corporate investment jumped by 25%, the largest increase in well over a decade. Traditional logic dictates that when this happens, earnings and sales of machinery makers rise. In 1984 that wasn't the case. Sure, most of these companies posted improved results. But almost no one was enjoying a boom.

That's because of a major, though gradual, change in the economy. Last year a large, although unquantifiable, amount of capital was spent for office automation. The beneficiaries tend to be service sector companies in telecommunications and electronics—not smokestack producers of industrial equipment.

The strong dollar, which makes imports cheaper, also hurt. "The tool and die companies also are sitting on their hands because the orders from manufacturers are not going into Pittsburgh, Dallas, Cleveland and Detroit," says Kenneth Goldstein, a Conference Board economist. "They're going into Yokohama, Seoul and Taiwan."

Drawing conclusions about this industry from the Yardsticks is difficult. That's because the 48 companies that appear here serve wildly diverse markets. Many—like W.W. Grainger, which sells electric motors, or Timken, which makes roller bearings—are highly specialized. Others are broadly diversified.

The companies that top the profitability rankings tend to be conglomerates like Litton and Teledyne. Or they tend to dominate small markets. Briggs & Stratton does well building small gasoline engines for lawn mowers and garden tractors. Stanadyne owes its top performance to water faucets and diesel fuel injection pumps—but GM's ending production of diesel cars will hurt next year.

Companies that haven't successfully diversified or specialized tend to perform far less well. Consider Peabody International, which has a five-year average return on equity of 2.4%, one-fifth of the industry median. Peabody is a haphazardly diversified company, and its various business segments do little to offset one another's cyclical ups

Industrial machinery

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Teledyne	25/ 31	1	25.8%	12.0%	0.2	10.2%	24	3.7%	19.5%	4	8.8%	28.9%	average
Litton Industries	26/ 23	2	25.5	17.4	0.1	6.8	14	5.9	16.3		NM	35.3	NM
Dover	40/ 39	3	25.0	19.9	0.1	7.7	3	14.7	19.5	1	13.3	33.3	average
Sundstrand	37/ 8	4	21.3	11.9	0.2	4.9	18	4.7	7.6	18	–3.4	31.7	very low
Foster Wheeler	46/ 57	5	21.1	9.1	0.1	2.9	32	0.5	–13.7	9	2.0	–33.1	very low
Cooper Industries	58/ 42	6	20.8	7.9	0.1	3.8	1	20.0	6.4	26	–12.6	101.0	low
Ametek		7	20.3	23.8	0.3	7.2	13	5.9	17.7	3	9.0	35.2	high
Halliburton	33/ 8	8	18.3	9.6	0.2	5.7	26	2.6	–5.6	15	–0.3	4.3	very low
Briggs & Stratton		9	18.2	15.3	0.0	5.2	20	4.3	32.2	19	–5.9	80.9	low
Illinois Tool Works		10	17.5	16.5	0.0	10.0	12	6.8	21.2	7	4.8	15.5	average
Tyler	51/ 68	11	16.7	20.4	1.2	1.9	2	19.9	48.5	20	–7.7	125.6	low
Combustion Eng		12	16.6	def	0.1	def	11	7.0	–2.6		NM	P-D	NM
Zurn Industries	88/ 73	13	16.6	9.5	0.2	3.3	27	2.5	0.1	16	–1.6	–9.9	very low
Emhart	51/ 53	14	16.5	18.4	0.3	5.0	21	3.9	9.1	6	5.7	16.3	average
Tecumseh Products		15	16.4	18.0	0.0	6.7	36	–0.9	19.7	13	0.0	44.4	very low

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

and downs. Result: In good times or bad, Peabody seldom does well in this Yardstick.

Next consider General Refractories, which has had a negative return on equity over the past five years. GR had the misfortune of producing furnace-lining materials for the rapidly declining steel industry. It lost money for 11 consecutive quarters until reporting a tiny profit in the final quarter of 1983. Its 12-month profitability figure (at 61% the highest of all the companies in the group) looks good only because three consecutive years of losses all but wiped out the company's equity base.

Looking back at the Yardsticks a decade ago, you discover numerous companies that have disappeared from the roster, such as Chicago Bridge & Iron and Wean United. The 1975 profitability leader, Briggs & Stratton, however, is still up there with the best, while Midland-Ross, ten years later, remains stuck near the bottom.

Ingersoll-Rand displays one of the most dramatic falls. In 1975 it was a stellar performer with a five-year return on equity of 16.2%. Now the firm ranks 41st in terms of profitability in this group of 48 companies, and its return on equity is exactly half the former level. Our 12-month figures, which show an earnings deficit, include a $4.38 per share charge taken in 1983's fourth quarter because of a corporate restructuring. One of the reasons for I-R's downfall is its early Seventies bet on a boom in capital spending. Since it never came, the company was stuck with major overcapacity.

To evaluate the performance of many of these other firms, it is necessary to understand what happened last year in the machine tool market. Orders totaled $2.9 billion, a 70% rise over 1983's $1.7 billion. That was the good news. But the bad news is that the current figure is still a long way from the record $5.6 billion year that the industry enjoyed in 1979.

Worse still, imports hit alltime highs in 1984. They accounted for nearly 40% of all domestic sales in terms of value. Not only did the equipment rush in from Japan,

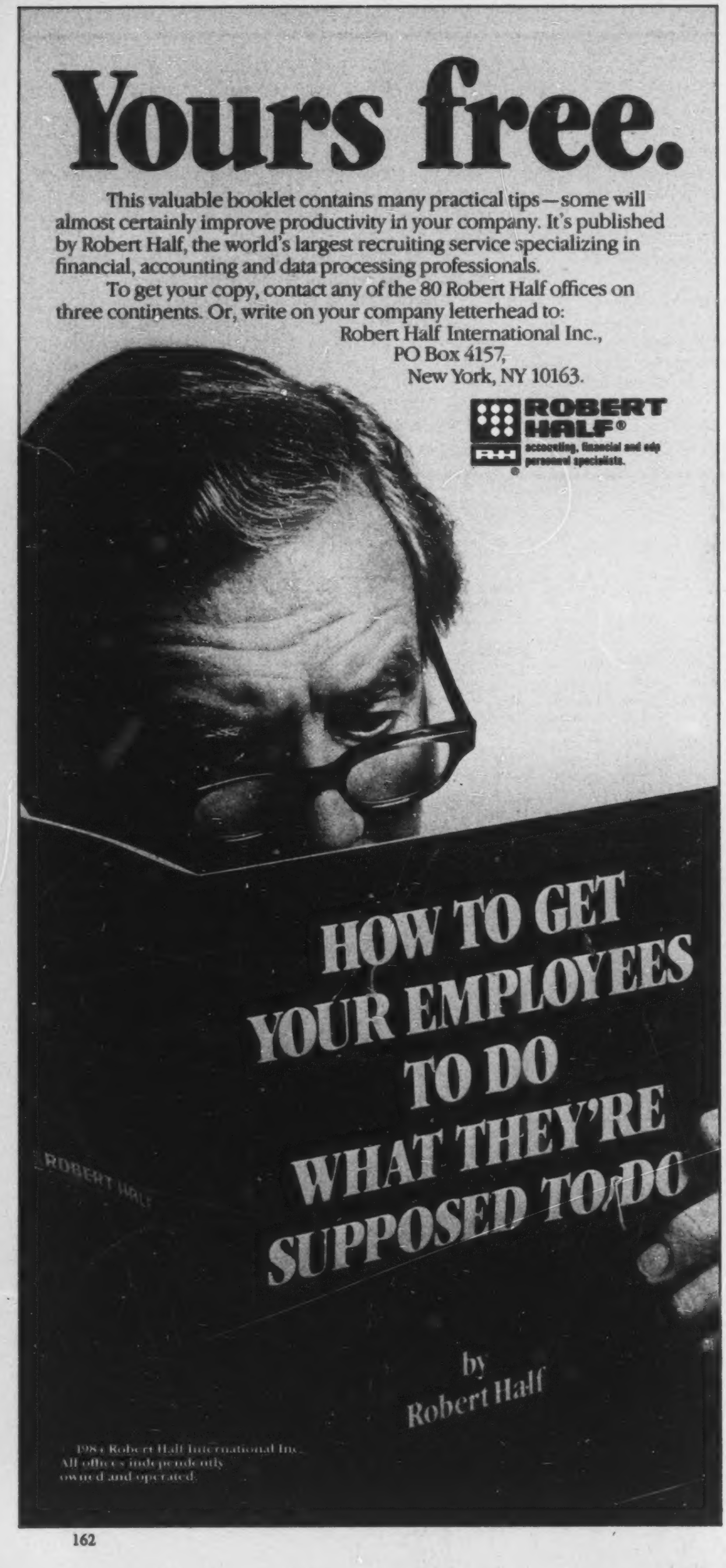
Industrial machinery

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Parker-Hannifin	56/ 57	16	15.8%	16.6%	0.3	5.5%	7	9.0%	27.5%	21	−8.0%	114.2%	low
General Signal	29/ 16	17	15.7	12.6	0.1	5.7	9	8.3	16.4	10	2.0	26.5	very low
Cincinnati Milacron		18	15.5	5.0	0.3	def	37	−1.3	18.7		NM	D-P	NM
Stanadyne		19	15.3	21.6	0.1	5.9	34	−0.3	36.2	11	1.8	105.1	very low
Kaman	41/ 25	20	14.7	18.4	0.4	2.7	5	11.5	19.6	2	10.5	39.8	high
Stanley Works	37/ 37	21	14.7	16.3	0.2	5.4	16	5.0	16.7	17	−2.0	55.8	very low
Norton	79/ 91	22	14.0	9.8	0.3	4.0	25	3.4	4.9	28	−17.0	103.9	low
Ex-Cell-O	32/DP	23	14.0	11.8	0.1	5.2	17	4.8	15.0	18	3.4	5.9	low
Hoover Universal	31/ 35	24	13.4	18.0	0.5	4.2	23	3.8	10.2	14	−0.1	17.0	very low
Harsco	50/ 35	25	13.3	10.0	0.3	3.3	30	1.0	17.7	22	−9.2	38.9	low
Amsted Industries	30/DD	26	13.1	6.8	0.0	def	46	−7.8	27.8		NM	D-P	NM
Textron	36/ 14	27	12.1	8.6	0.2	3.0	40	−2.4	9.6	25	−12.2	24.7	average
Easco	33/ 1	28	11.9	def	0.5	1.9	8	8.7	14.7	12	0.7	P-D	very low
Foxboro		29	11.2	1.9	0.1	1.5	10	7.1	1.8	29	−17.1	−40.2	low
Colt Industries	50/ 29	30	11.2	28.0	0.3	6.3	42	−4.7	22.3		NM	72.1	NM
McGraw-Edison	29/ 14	31	10.9	8.9	0.6	1.5	4	14.2	7.5	23	−11.6	27.9	low
Eagle-Picher	67/ 54	32	9.8	12.0	0.3	2.9	35	−0.3	32.1	27	−14.9	121.8	high
McDermott Intl	63/ 56	33	9.2	3.1	0.5	3.9	28	1.7	−7.0	5	7.1	−58.2	very low
Stewart & Stevenson		34	9.1	def	0.6	def	15	5.5	−13.8		NM	D-D	NM
Unidynamics		35	8.9	12.3	0.6	1.7	33	0.4	24.2	30	−22.0	461.1	very high
Research-Cottrell	87/192	36	8.8	2.2	0.3	0.7	6	10.9	−6.0	24	−12.1	−39.2	low
Timken	72/DP	37	8.5	6.5	0.1	0.1	41	−4.2	29.2		NM	D-P	NM
Midland-Ross	52/ 7	38	8.4	6.3	0.6	def	22	3.8	13.3		NM	D-P	NM
Rexnord		39	8.4	7.3	0.4	0.5	38	−1.4	14.5	33	−43.8	500.0+	very high
Stewart-Warner	79/ 71	40	8.2	6.1	0.0	2.0	43	−5.5	14.2	31	−25.9	169.5	high
Ingersoll-Rand		41	8.1	def	0.6	def	31	0.7	2.3		NM	D-D	NM
AMF	36/ 52	42	7.2	1.5	0.4	def	45	−7.3	14.3		NM	D-P	NM
Dayco	62/ 53	43	7.0	12.2	1.2	0.6	29	1.2	28.5	32	−37.6	500.0+	high
Peabody Intl		44	2.4	def	0.3	1.9	19	4.3	−7.6		NM	P-D	NM
Chromalloy Amer	32/PD	45	0.5	def	0.9	def	48	−11.1	2.1		NM	D-D	NM
Chicago Pneumatic		46	0.1	9.8	0.4	def	39	−2.0	11.7		NM	D-P	NM
General Refractories	85/ 37	47	def	61.0	5.7	def	47	−8.0	4.7		NM	D-P	NM
Allis-Chalmers	61/DD	48	def	def	0.7	def	44	−5.9	2.7		NM	D-D	NM
Industry medians			13.3	9.8	0.3	2.9		3.6	14.4		−12.2	28.9	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		−0.6	15.8	

DD: Segment deficit, total deficit. DP: Segment deficit, total profit. PD: Segment profit, total deficit. E: Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes



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South Korea and Taiwan, but the strong dollar made European products more competitive, too. That's why Burk Kalweit, senior economist at the National Machine Tool Builders Association, calls 1984 "a recovery year with an asterisk beside it."

The disparity in costs between imported and domestic machinery these days is striking. The average value of a numerically controlled turning machine made in the U.S. last year was $135,000. A similar unit made in Japan cost a mere $63,000. A 30% price advantage for an import is not unusual, which explains why U.S. manufacturers have such a tough time selling against them.

The alternative is to diversify. And many traditional machine tool makers are doing just that. Ex-Cell-O is becoming more deeply involved in aerospace, defense and automotive components. Cross & Trecker acquired Bendix Automation last year, a move that may help it become a major player in the rapidly emerging field of flexible manufacturing systems.

A prime example of this trend is Rexnord, the old-line, nuts-and-bolts machinery company based outside Milwaukee. In the past year Rexnord, which has traditional businesses that include power-transmission devices and industrial fasteners, snapped up six companies in an effort to move into higher-technology markets. The latest acquisition came in December, when Chairman Robert Krikorian paid $107 million for Electronic Modules Corp. The firm, which has sales of $65 million, makes computerized control systems for the energy, chemical, steel, food and pharmaceutical industries. "It moves us toward our goal of becoming a major participant in the growing process controls market," says Krikorian.

Even in nuts-and-bolts businesses, of course, the news isn't all bad. The machine tool industry's order backlog now stands at $1.9 billion, and it will take at least eight months for producers to fulfill these commitments. That's why many industry number-crunchers are looking for a reasonably good 1985. Optimists predict a 35% rise in machine tool orders. The Conference Board's Goldstein expects capital spending to grow by 12% as companies continue to invest in more cost-efficient production capacity. "It's nothing to sneeze at," he says, "because that increase would come on top of a very strong year."

This time, maybe the folks who make machinery will get a bigger share. ■

INSURANCE

This is a cyclical business, and these companies have been down for five years. But there are signs of a turnaround. Property and casualty premiums are rising, and new products are revitalizing life insurers.

PICKING INSURANCE companies isn't a beauty contest, it's a relative ugliness contest. Just take a glance at the Forbes Yardsticks. For the most recent 12 months, earnings at these 47 companies declined by 2.9%—bad even in comparison with the industry's long-term growth rate of 0.3%.

After two years of economic recovery, however, insurers may finally have hit bottom. One factor fueling the incipient renaissance: price-strengthening. Premiums for property and casualty coverage climbed as much as 15% in the second half of last year. Good—but too late to show up on most income statements.

But trouble is still in the news. The ongoing fiasco at Fireman's Fund dragged down all of American Express. And at Chubb, earnings approached an eight-year low. The firm's big problem is medical malpractice insurance. Chubb stopped issuing these policies last May, but the coverage accounted for more than one quarter of its underwriting losses for the first half of last year.

In fact, only 2 of the 11 property and casualty companies beat their five-year earnings records. GEICO, the nation's tenth-largest auto insurer, kept claims costs low by focusing on motorists with good records. It also minimizes marketing expenses by using direct mail or telephones—bypassing the pricier system of selling through independent agents. At Berkshire Hathaway, meanwhile, the good times had more to do with Chairman Warren Buffett's stock-picking prowess than selling insurance.

Fewer than half of the 18 multiline firms topped their five-year earnings growth rates. Like their property and casualty counterparts, these companies suffered from soft pricing. But here, too, it paid to bypass agents. By selling directly to customers, Farmers Group bettered its long-term growth rate by more than 50%.

Insurance

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Brokers													
Marsh & McLennan		1	28.6%	15.4%	0.0	12.8%	1	16.8%	12.2%	1	6.5%	–32.1%	high
Alexander & Alex		2	24.2	def	0.7	def	2	14.4	–4.6		NM	D-D	NM
Medians			**26.4**	**6.0**	**0.3**	**5.8**		**15.6**	**3.8**		**NM**	**D-D**	
Diversified													
Teledyne	29/NA	1	25.8%	12.0%	0.2	10.2%	17	3.7%	19.5%	5	8.8%	28.9%	average
Fremont General		2	23.7	def	0.8	def	1	23.1	31.8		NM	D-D	NM
Amer International		3	21.9	14.6	0.2	10.7	8	15.2	7.9	1	17.1	–14.4	very high
General Re		4	21.5	9.8	0.0	11.6	5	15.7	10.5	3	13.2	–39.3	high
Loews	62/ 18	5	21.4	19.2	0.3	7.7	14	7.5	5.6	2	16.5	12.0	high
Old Republic Intl		6	21.0	19.6	0.2	12.5	12	8.5	49.0	7	3.8	6.7	average
Combined Intl		7	20.5	19.7	0.0	10.3	4	16.1	2.0	8	3.4	16.9	low
CNA Financial		8	19.1	11.5	0.0	6.2	15	6.6	12.9	14	–4.4	–2.9	very low
Farmers Group		9	18.5	16.9	0.0	17.1	7	15.2	14.8	4	9.2	14.6	very high
American General		10	17.5	15.5	0.2	7.3	3	16.8	33.5	6	6.2	–5.2	high

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Sources: Media General Financial Services, Inc.; Forbes

Companies that use agents, meanwhile, are getting tough. Continental began cutting out marginal representatives to boost profits in 1983, and now the idea has caught on at Aetna and St. Paul. Still, all three of these companies fell behind their five-year returns on equity in 1984.

Insurance brokers should get a boost from price strengthening even before the underwriters. But, unfortunately, the two firms in this subgroup had problems that pricing couldn't solve. Hundreds of millions of dollars lost in bond trades sent Marsh & McLennan reeling, and Alexander & Alexander is still under the shadow of its bad British acquisition.

In the life insurance industry, the mood is different. Five years after the cycle that began with the introduction of interest-rate-sensitive universal life products, signs of health are finally back. Last year these companies showed impressive earnings growth and solid profitability. But the situation may not be so sweet in 1985. Corporate health care customers can already see these improved results, and they will surely want givebacks on premium pricing. ■

Insurance

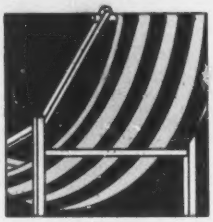
Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Kemper		11	16.5%	3.5%	0.2	3.1%	2	18.7%	3.6%	15	–5.7%	–58.8%	average
Transamerica	68/ 29	12	15.1	7.6	1.2	3.8	16	4.6	9.5	13	–3.4	–35.6	low
Safeco		13	14.6	13.0	0.3	8.1	10	9.5	12.5	12	–2.6	43.3	very low
Aetna Life & Cas		14	14.4	4.8	0.1	2.3	13	8.3	2.0	16	–15.2	–49.9	high
Travelers		15	14.2	10.9	0.0	2.9	9	11.1	9.6	11	–2.5	–0.3	average
ITT	25/ 29	16	13.1	7.9	0.5	4.4	18	–1.9	9.0	9	2.4	–26.7	very low
Colonial Penn		17	11.3	14.7	0.0	3.8	6	15.3	3.6		NM	12.7	NM
CIGNA		18	4.0	2.0	0.1	3.2	11	8.6	12.3	10	–2.4	–79.3	very low
Medians			**18.0**	**11.8**	**0.2**	**6.8**		**10.3**	**10.1**		**0.0**	**–4.1**	
Life and health													
Charter	18/PD	1	45.2%	def	0.6	def	7	15.4%	70.3%		NM	P-D	NM
First Executive		2	30.6	12.8%	0.0	3.3%	1	94.9	–1.4	1	61.2%	18.3%	very high
American Family		3	14.8	15.9	0.1	4.4	6	18.1	19.4	11	–5.0	45.3	low
Provident Life		4	14.8	14.5	0.0	7.8	13	5.4	22.6	4	5.8	30.9	average
Business Men's Assur	84/ 70	5	14.4	12.0	0.0	9.3	12	6.4	23.0	7	3.7	–1.0	low
USLIFE		6	14.2	9.8	0.3	8.3	10	7.7	12.7	9	0.9	–0.8	very low
Capital Holding		7	14.1	13.7	0.3	7.8	3	29.9	14.3	2	10.4	5.8	very high
Torchmark		8	13.2	15.7	0.1	8.6	4	26.9	14.4	3	10.3	26.9	high
Life Investors		9	13.1	11.9	0.2	4.3	5	23.5	14.1	6	4.4	15.9	low
Jefferson-Pilot	86/ 82	10	12.3	12.2	0.0	10.7	11	6.4	3.9	8	2.1	36.9	low
Amer National Ins		11	11.8	10.0	0.0	12.4	14	4.9	–1.3	5	5.3	0.3	average
Lincoln National	72/ 90	12	11.8	11.8	0.2	4.3	8	11.9	13.9	10	0.3	17.6	very low
Washington National		13	10.9	6.0	0.0	2.7	16	–1.3	–4.4	13	–9.8	–13.8	average
Equitable of Iowa	57/ 76	14	9.2	4.9	0.0	5.2	9	10.9	4.2	12	–5.1	–40.2	low
Northwestern Natl		15	8.9	9.7	0.4	2.2	2	38.1	35.5	14	–12.9	35.8	low
Kaufman & Broad	40/ 36	16	3.5	11.1	0.5	3.9	15	0.9	14.2		NM	500.0+	NM
Medians			**13.1**	**11.9**	**0.1**	**4.8**		**11.4**	**14.2**		**1.5**	**16.8**	
Property and casualty													
GEICO		1	36.3%	24.5%	0.4	10.9%	7	5.2%	11.9%	3	8.4%	18.4%	average
Mission Insurance		2	24.0	def	0.3	def	2	11.2	13.2		NM	P-D	NM
American Express	38/DP	3	21.1	10.3	0.7	5.3	1	19.7	25.6	4	4.4	–44.3	average
Ohio Casualty		4	18.6	5.6	0.0	5.9	8	4.9	7.1	7	–5.4	–51.4	average
Hanover Insurance		5	17.5	6.6	0.0	6.2	3	9.7	10.4	2	8.7	–45.9	average
USF&G		6	16.9	11.2	0.0	7.2	10	3.8	15.0	8	–10.2	–10.9	average
Chubb	73/ 32	7	15.7	6.9	0.2	4.8	4	9.5	13.4	6	–3.4	–44.2	low
St Paul Cos	85/ 35	8	15.1	def	0.1	5.5	6	8.0	20.0	5	–0.2	P-D	very low
City Investing	38/ 23	9	12.5	3.8	1.2	0.9	5	8.1	33.4	9	–26.6	–69.5	high
Berkshire Hathaway	34/ 29	10	9.8	7.0	0.1	12.8	11	2.8	21.0	1	15.1	21.6	average
Continental Corp	86/DD	11	8.6	0.9	0.1	0.4	9	4.5	24.6	10	–43.2	–52.7	very high
Medians			**16.9**	**6.6**	**0.1**	**5.5**		**8.0**	**15.0**		**–3.4**	**–45.9**	
Industry medians			**15.1**	**10.9**	**0.1**	**5.5**		**9.5**	**12.9**		**0.3**	**–2.9**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

LEISURE AND RECREATION



It was anything but fun and games for most of these companies last year. And if you look behind many of the numbers, the results are even more somber than they seem.

THE LEISURE INDUSTRY has certainly seen better days, as this year's Yardsticks reveal. Taken as a whole, the industry's 12-month return on equity was 12.0%, while five-year averages were significantly better at 15.3%. These lower returns are no surprise to anyone who has tracked the industry's sales and earnings growth: While 12-month sales expanded by 13.5%, earnings over the same period actually fell by 6.3%.

In fact, of the six groups covered in the leisure and recreation sector, only recreational vehicles and recreation have gone against this general trend.

In the recreational vehicles subgroup, the companies listed had a median 12-month return of 23.6%, compared with a five-year return on equity of 7.7%. But don't take these figures at face value. With only three firms in the subgroup—Fleetwood Enterprises, Coachmen Industries and Skyline—the statistics are misleading. Skyline had lower 12-month returns than those for the five-year term. Coachmen had somewhat better recent returns, but its earnings per share actually fell by 13.4% over the 12-

Leisure and recreation

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Entertainment													
General Cinema	38/ 33	1	28.9%	87.8%	0.5	10.6%	5	9.6%	3.7%	1	34.6%	–25.4%	high
Bally Mfg	68/NA	2	20.9	0.4	1.0	0.5	2	34.8	17.1	6	–18.2	–92.1	very low
Warner Commun	47/PD	3	19.7	def	0.6	def	3	25.4	61.7		NM	D-D	NM
MCA	70/ 84	4	16.1	8.8	0.0	9.3	6	7.2	–4.9	2	2.4	–37.8	very low
CBS	46/ 36	5	15.3	16.5	0.2	4.2	7	5.6	15.9	5	–7.0	56.8	average
MGM/UA		6	11.6	9.4	1.2	5.4	1	39.5	–2.2	3	1.1	–11.5	very low
Walt Disney		7	10.9	1.5	0.2	7.1	4	11.2	26.7	4	–3.3	–77.4	low
Gulf & Western	28/ 27	8	10.6	13.7	0.5	6.2	8	–0.9	13.3		NM	D-P	NM
Medians			**15.7**	**9.1**	**0.5**	**5.8**		**10.4**	**14.6**		**–5.2**	**–37.8**	
Hotels and gaming													
Hilton Hotels		1	24.3%	14.7%	0.4	17.3%	7	7.2%	0.8%	3	5.4%	–11.6%	low
Resorts Intl		2	22.9	5.9	1.3	5.0	5	9.1	–3.3	7	–20.8	–25.5	average
Marriott	43/ 48	3	21.3	20.5	1.7	3.8	3	19.2	22.5	1	23.0	19.5	very high
Bally Mfg	32/NA	4	20.9	0.4	1.0	0.5	1	34.8	17.1	6	–18.2	–92.1	very low
MGM Grand		5	17.3	NE	1.5	5.5	9	4.2	5.3	5	–12.1	–25.9	high
Holiday Inns		6	15.1	12.5	0.5	7.8	8	6.8	12.9	2	8.6	8.6	low
Caesars World		7	13.3	13.6	1.3	3.0	2	27.7	9.4		NM	D-P	NM
Del E Webb	40/ 14	8	4.5	12.0	0.7	1.9	10	–8.2	47.4	8	–21.5	305.4	average
Ramada Inns		9	def	3.0	1.7	0.7	4	13.8	2.6		NM	D-P	NM
Transworld	38/ 37		NA	24.8	0.4	3.2	6	8.2‡	8.5	4	2.1‡	129.7	very low
Medians			**17.3**	**12.3**	**1.1**	**3.5**		**8.6**	**9.0**		**–15.2**	**–1.5**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

month period. That leaves Fleetwood, which alone of the three shows up well on the 12-month Yardsticks for earnings and returns.

Despite these problems the recreational vehicle companies can look at some of the other subindustry groups here with a certain smugness. The picture in toys and electronics is not fun. Coleco Industries and Tandy are at the top of this list, as they were last year. But there the similarity to 1983 ends.

Coleco, which had a 44.2% return on equity in 1983, lost money during the most recent 12-month period. Even Cabbage Patch dolls weren't profitable enough to offset the costs of its troubled personal computer business. Second-ranked Tandy saw earnings per share shrink by 4.8% while sales increased by 8.2%. This pulled its return on equity down from 29.3% in 1983 to 24.6% in 1984. Like Coleco, Tandy had difficulties in its once highly profitable home electronics business.

There were a number of similarly sad stories in the entertainment sector. General Cinema tops this list with five-year return on equity of 28.9% and an astonishing 87.8% return for the most recent 12 months. But any current return as high as this raises questions. For General Cinema the increase over the period was largely caused by a sizable drop in common equity. That drop came because of a large offering of convertible preferred stock. Allowing for this change, FORBES' calculations show the company's earnings actually dropping by 25.4% during the most recent 12 months.

The number two company in this group fared even worse. Had Bally Manufacturing been ranked on the basis of its 12-month returns instead of five-year figures, the company would have been solidly in last place. The company's losses from its arcade videogame operations accounted for a stunning 92.1% drop in earnings per share over the recent 12-month period and an 18.2% fall in earnings over the five-year span.

Things get little better farther down the list. Warner Communications lost money last year, and MCA saw earnings drop by 37.8%. It isn't until you get to CBS, which ranks fifth in terms of five-year profitability, that things seem finally to look pretty good. Its return picked up from 15.3% over the last five years to 16.5%—but much of the firm's recent gains may come from cost-cutting (FORBES, *Dec. 31, 1984*).

The mighty seem to have fallen in the hotels and gaming companies as well. Just as in entertainment, the companies ranked one and two (Hilton Hotels and Resorts International) had a sizable drop in earnings and return on equity from 1983. Both firms suffered decreasing returns on equity over the 12-month period, as compared with the last five years.

The two companies had different reasons for their difficulties. Hilton was particularly hurt by the long strike in Las Vegas, while Resorts faced an increasingly competitive market in Atlantic City. ■

Leisure and recreation

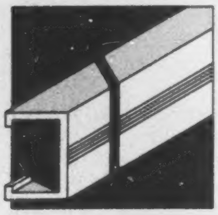
Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Recreation													
Brunswick	70/ 73	1	17.4%	24.0%	0.3	5.4%	2	–0.6%	21.6%	1	36.9%	230.2%	average
Fuqua Industries	46/ 38	2	15.9	27.6	1.5	5.6	4	–16.4	18.5		NM	–7.8	NM
Outboard Marine	76/ 87	3	8.2	15.2	0.3	5.0	1	2.5	16.9	2	20.0	33.6	low
AMF	44/ 89	4	7.2	1.5	0.4	def	3	–7.3	14.3		NM	D-P	NM
Medians			**12.0**	**19.6**	**0.3**	**5.2**		**–4.0**	**17.7**		**NM**	**33.6**	
Recreational vehicles													
Fleetwood Enter	63/ 84	1	10.4%	31.8%	0.0	4.5%	2	0.3%	37.2%		NM	36.9%	NM
Coachmen Inds	88/ 96	2	7.7	23.6	0.1	4.8	1	12.4	26.0		NM	–13.4	NM
Skyline	34/142	3	7.1	6.6	0.0	2.1	3	–8.2	18.3	1	–16.3%	–1.4	average
Medians			**7.7**	**23.6**	**0.0**	**4.5**		**0.3**	**26.0**		**NM**	**–1.4**	
Photography													
Eastman Kodak	79/ 79	1	17.4%	11.1%	0.0	5.6%	1	8.4%	–2.0%	1	–5.5%	9.5%	very low
Polaroid		2	4.9	4.4	0.1	4.0	2	–1.9	2.4	2	–16.4	21.1	average
Medians			**11.2**	**7.8**	**0.0**	**4.8**		**3.3**	**0.2**		**–11.0**	**15.3**	
Toys and electronics													
Coleco Industries		1	50.0%	def	0.9	def	1	43.4%	13.6%		NM	P-D	NM
Tandy		2	49.4	24.6%	0.4	10.3%	3	18.6	8.2	2	33.5%	–4.8%	very high
Toys "R" Us		3	29.8	22.0	0.1	7.0	2	30.2	29.5	1	34.4	40.5	very high
Mattel		4	def	NE	NE	def	4	8.9	–23.3		NM	D-D	NM
Medians			**39.6**	**–1.1**	**0.3**	**2.9**		**24.4**	**10.9**		**NM**	**P-D**	
Industry medians			**15.3**	**12.0**	**0.4**	**4.9**		**8.3**	**13.5**		**–14.2**	**–6.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

METALS



Gloom and doom prevail at these companies, with nearly half running deficits. Steel imports are at record levels, and voluntary curbs aren't likely to stem the industry's decline.

The Forbes Yardsticks for metals tell a sorry tale: 17 of the 38 companies in the group ran deficits, 16 others were unable to match or beat their five-year return on equity averages in the past 12 months, and only 5 improved on their five-year profitability figures. Among the 42 industries that were tracked by Forbes, metals ranked 37th in profitability.

There's little good news for producers of either steel or nonferrous metals. After some encouraging gains in the first half of the year, the steel industry began to crumble as imports rose to record levels, capturing 26% of the market. Operating losses for steelmakers averaged $10 per ton in 1984's second half. Steelmakers aren't expected to be at or above break-even until the second quarter of this year. The Reagan Administration rejected demands for new import quotas, preferring instead to seek voluntary reductions. Meanwhile, aluminum ingot spot prices collapsed to 50 cents per pound, from 75 cents, by year's end.

The best-performing companies tend to be smaller, specialized outfits. Profit-leader Worthington Industries, for example, boasts markets in processed steel for things like

Metals

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Nonferrous metals													
Engelhard	86/ 50	1	19.6%	10.7%	0.2	3.5%	4	8.3%	5.1%	1	10.6%	–30.3%	high
Handy & Harman	82/ 72	2	16.9	10.6	0.7	1.8	11	0.3	12.7	3	–7.7	61.3	very low
Newmont Mining	59/DP	3	14.7	2.6	0.1	7.3	12	–0.9	12.4	4	–9.6	–45.3	low
Alcan Aluminium		4	14.0	10.0	0.5	1.0	5	5.4	–2.6	5	–52.0	D-P	average
Easco	59/ 98	5	11.9	def	0.5	1.9	3	8.7	14.7	2	0.7	P-D	very low
Alcoa		6	11.7	11.5	0.5	3.1	6	3.4	20.3		NM	500.0+	NM
ASARCO	88/ 77	7	9.7	def	0.4	3.9	10	1.1	–1.4		NM	P-D	NM
Ampco-Pittsburgh	32/DD	8	8.6	1.8	0.8	def	1	9.8	51.6		NM	D-P	NM
Kaiser Aluminum	60/DD	9	8.2	1.2	0.9	def	8	2.1	41.7		NM	D-P	NM
Reynolds Metals		10	6.0	9.0	0.8	def	9	1.3	18.4		NM	D-P	NM
AMAX	57/DP	11	3.4	def	0.6	def	7	2.3	6.6		NM	D-D	NM
Phelps Dodge		12	2.4	def	0.6	def	13	–2.9	–3.2		NM	D-D	NM
Revere Copper		13	def	def	3.9	2.8	14	–6.6	25.8		NM	D-D	NM
Inspiration Res	53/DD	14	def	def	0.7	def	2	9.2	12.3		NM	D-D	NM
Inco		15	def	def	0.7	def	15	–14.4	32.0		NM	D-D	NM
Medians			**8.6**	**1.2**	**0.6**	**1.0**		**2.1**	**12.7**		**NM**	**P-D**	

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Sources: Media General Financial Services, Inc.; Forbes

component parts in consumer appliances and auto disk-braking systems. Nucor, number two on our list, has the advantage of a narrow product line and state-of-the-art equipment. Carpenter Technology focuses on specialty metals in narrow markets.

Some good news: Our 12-month figures disguise U.S. Steel's 1984 comeback because they include the 1983 fourth quarter, when losses of $9.70 per share were reported. U.S. Steel moved solidly into the black last year, thanks to a major corporate restructuring. Since the end of 1982 the company has shut down one-fifth of its capacity and axed 50% of its administrative work force.

Today steel accounts for only 35% of the company's total revenues. "I think that we have weathered this storm well," says Chairman David Roderick, "but we have no illusions that we aren't still in stormy waters. We're going to have to be very careful to keep the rigging tight so we stay on a straight course."

Expect additional manpower and wage reductions as well as further restructuring in the industry this year. Steelmakers, which often have weak balance sheets, are likely to continue to sell assets to reduce debt. Nucor is a major exception. With $100 million in cash, it is searching for an acquisition in the flat-rolled-steel sector. "We have a lot of cash and an ability to borrow money, something that a lot of companies in our industry don't have," boasts Samuel Siegel, its chief financial officer.

Roderick and other executives at old-line companies believe that more restructuring is necessary for survival. "The industry still needs rationalization both in its integrated steel production and in its raw material sources," he explains. "There's no question in my mind that you'll also continue to see mergers of some producers. You'll see companies fail unless they do merge."

One problem that compounds the industry's troubles is the trend among domestic manufacturers to source products from abroad. Take Detroit's automakers, one of steel's largest customers. Foreign sourcing will account for the equivalent of at least 1.3 million assembled vehicles by 1988, up from only 240,000 in 1983, estimates John Tumazos, an analyst with Oppenheimer & Co. That represents an annual loss of up to 1.5 million tons of steel consumption in autos alone. "We expect roughly equal losses in the machinery sector and in capital goods," says Tumazos.

The outlook for 1985? The steel industry should break into the black in the second quarter as seasonal demand improves and excess inventories become depleted. Capacity utilization might even reach 75% by spring, up from under 60% at year-end. Production, predicts Tumazos, should be up to 78 million tons, from 75 million in 1984. Not bad, unless you remember that the figure was over 100 million in 1979. ■

Metals

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Steel													
Worthington Inds	71/ 82	1	27.7%	21.9%	0.4	4.9%	1	18.8%	36.3%	1	7.5%	43.7%	average
Nucor		2	24.4	14.9	0.2	5.1	2	10.0	27.4	5	–6.2	55.4	low
Carpenter Tech		3	15.1	11.5	0.4	6.3	8	0.9	33.7	6	–11.8	78.3	low
Commercial Metals		4	15.0	8.4	0.2	0.9	7	2.7	36.6	2	–1.1	20.0	very low
LTV	64/DD	5	14.4	def	1.3	def	4	5.2	64.8		NM	D-D	NM
Earle M Jorgensen		6	13.9	6.5	0.1	3.1	16	–5.4	27.2	7	–14.1	84.4	low
Central Steel		7	12.0	13.1	0.0	2.5	15	–5.3	38.7	4	–6.2	30.7	low
Athlone Inds	50/DP	8	9.0	7.0	1.2	def	10	–2.6	27.2		NM	D-P	NM
Timken	27/NM	9	8.5	6.5	0.1	0.1	12	–4.2	29.2		NM	D-P	NM
Interlake	79/ 85	10	7.9	11.8	0.4	2.7	13	–4.5	21.2	3	–2.1	243.3	very low
Copperweld		11	7.4	5.1	0.5	def	14	–5.1	50.8		NM	D-P	NM
Northwestern Steel		12	5.3	def	0.2	def	22	–13.3	22.4		NM	D-D	NM
Cyclops		13	4.2	8.8	0.5	def	5	3.7	27.7		NM	D-P	NM
Lukens	72/DD	14	1.6	0.3	0.7	def	6	3.4	16.4		NM	D-P	NM
National-Standard		15	1.3	8.3	0.2	def	19	–5.7	22.1		NM	D-P	NM
Inland Steel		16	def	def	0.7	def	11	–2.7	25.4		NM	D-D	NM
U S Steel	30/DP	17	def	def	1.3	def	3	10.0	11.5		NM	D-D	NM
Armco		18	def	def	0.6	def	9	0.5	6.7		NM	D-D	NM
Wheeling-Pittsburgh		19	def	def	1.3	def	20	–9.3	43.9		NM	D-D	NM
NVF	47/ 76	20	def	def	5.7	def	23	–17.2	46.0		NM	D-D	NM
Natl Intergroup	81/DD	21	def	def	0.6	def	18	–5.6	1.7		NM	P-D	NM
Bethlehem Steel	89/ 89	22	def	def	0.9	def	17	–5.6	20.0		NM	D-D	NM
Keystone Consol	85/PD		NA	def	0.2	def	21	–10.6‡‡	–6.8		NM	D-D	NM
Medians			**6.3**	**5.1**	**0.5**	**def**		**–4.2**	**27.2**		**NM**	**D-D**	
Industry medians			**7.9**	**1.5**	**0.5**	**def**		**0.4**	**22.3**		**NM**	**D-D**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

NATURAL GAS UTILITIES

Falling prices and tough competition hurt many of these companies last year. But a few also enjoyed a pleasant windfall: rate increases from state regulators.

BUSINESS AT THESE companies ought to be very steady, and at first glance that's the impression the Yardsticks give. After all, natural gas distributors posted a 12-month return on equity of 15.3%, which is slightly better than their five-year average. But note that only 2 of the 12 companies in this subgroup have earnings stability rated high or very high. On the other hand, 8 have earnings stability that is low or very low. The reasons for such unpredictability? Natural gas sales are affected by such capricious factors as the weather, consumer demand and state regulators.

The top company in the subgroup is a perfect example. Arkla, with markets in Arkansas, Louisiana, Texas, Oklahoma and Kansas, suffered a 23.1% drop in earnings, while sales rose by 3.4%. As a result, its return on equity fell from 19.2% over the last five years to 12.1% in 1984. No major problems here. Simply weak demand for natural gas.

The results were somewhat different at Peoples Energy, which serves the Chicago area. A cold winter provided a much-needed boost and that, coupled with a surge in industrial activity in the area, gave the company a strong 65.6% earnings gain. Those profits helped pull return on equity up from 11.7% in 1983 to 19.3% in 1984.

Like the distributors, the integrated companies—those that combine elements of production, transportation and distribution—ended the year with strong industry medians. Last year's return on equity was a solid 16.2%, up from 15.1% over the last five years. But here, too, the medians don't really tell the story.

The first company in the subgroup appears to have done quite well. Entex, which serves markets in Texas, Louisiana and Mississippi, had a return on equity that increased

Natural gas utilities

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Distributors													
Arkla	84/ 92	1	19.2%	12.1%	1.1	4.6%	2	20.0%	3.4%	5	6.1%	−23.1%	low
Brooklyn Union Gas		2	15.9	15.6	0.7	5.2	5	19.6	10.4	4	9.1	2.9	very high
Diversified Energies		3	15.8	22.1	0.5	3.0	4	19.8	11.3	6	4.0	60.6	low
Peoples Energy		4	14.5	19.3	0.9	3.0	12	10.1	13.9	8	−2.0	65.6	very low
NICOR	86/114	5	13.3	6.3	0.7	2.2	11	12.1	10.8	11	−15.9	94.1	average
Laclede Gas		6	13.2	20.1	0.6	2.6	9	13.5	4.9	7	2.6	75.0	low
Eastern Gas & Fuel	47/ 72	7	13.0	13.3	0.6	3.6	10	13.4	8.7	1	20.7	51.0	low
UGI		8	11.1	7.7	0.7	0.7	1	24.9	1.7	12	−42.1	472.7	low
Washington Gas Light		9	11.1	15.0	0.9	3.8	6	19.0	11.8	3	10.1	20.0	high
WICOR	80/ 85	10	10.5	17.5	1.0	2.4	3	20.0	10.5	9	−5.2	101.3	low
No Indiana Public Svc	52/ 17	11	9.0	11.8	1.0	7.0	7	14.9	9.7	10	−5.3	12.5	low
Primark		12	5.7	16.2	1.1	1.6	8	14.0	21.3	2	16.1	216.5	average
Medians			**13.1**	**15.3**	**0.9**	**3.0**		**17.0**	**10.5**		**3.3**	**63.1**	

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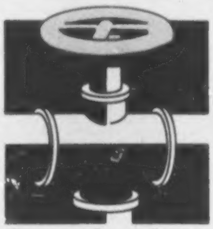
Sources: Media General Financial Services, Inc.; Forbes

from 19.7% in 1983 to 21.3% last year. But look closely and all is not rosy. Its earnings went up by only 0.7% on a sales increase of 9.9%. Earnings from natural gas operations didn't even do that well. The company confirms they actually declined during the period.

ENSERCH, the subgroup's number three company, had even worse earnings difficulties last year. Its profits fell by 30.5%. As you would expect, returns dropped in tandem, from 18.2% over five years and 9.6% in 1983 to 6.5% last year—the worst performance of all the 13 integrated companies shown here. ENSERCH's trouble came largely because of a price crunch last summer. It usually moves lots of natural gas that is sold to electric utilities during summer months. In 1984 that business was hard to come by.

Not all the news in this subgroup was bad, of course. National Fuel Gas, which distributes natural gas in New York, Pennsylvania and Ohio, had an impressive earnings gain of 69.4%. Its return on equity also rose, from 12.2% over the five years and 10.2% last year to 18% in 1984. The 18% figure puts National Fuel Gas in second place among all diversified companies in terms of 12-month return. A combination of a cold winter and rate relief helped produce these impressive results.



It is harder to find even a glimmering of good news in the third subgroup—producers and pipelines. Here, 12-month return on equity was 12.6%, far below the 19.8% return these firms enjoyed over the last five years. Of the 12 companies ranked here, only three showed 12-month returns that were better than their average results over the previous five years. Why the poor showings? Falling energy prices drove profits down and heightened competition in industrial markets.

Consider Mitchell Energy & Development, the Texas company that leads the pack. Its profitability fell from 34.3% over five years to 13.3% last year—even though Mitchell sports the best margins in the subgroup. Houston Natural Gas also suffered. Its 12-month returns were half their five-year average, only 11.8%.

Fortunately, the factors that create a downturn can also bring this industry roaring back. And who really knows? This winter might be unusually cold. ■

Natural gas utilities

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Integrated													
Entex	77/ 56	1	23.4%	21.3%	0.8	5.0%	6	17.1%	9.9%	6	7.3%	0.7%	high
SONAT		2	19.6	16.3	0.5	7.8	2	21.9	0.1	1	17.3	–1.5	very high
ENSERCH	52/ 60	3	18.2	6.5	0.8	2.2	7	16.9	–0.8	7	5.2	–30.5	very low
InterNorth		4	17.1	16.2	0.5	4.7	4	20.4	36.4	9	4.1	63.8	low
Oneok		5	17.1	12.4	0.9	2.9	12	13.1	10.4	12	–2.2	37.8	very low
Southern Union	72/110	6	16.9	7.8	0.6	2.7	11	13.2	–4.9	11	–2.0	–28.4	very low
Pacific Lighting		7	15.1	10.0	1.0	3.4	1	21.9	0.8	4	9.1	–33.5	very high
KN Energy		8	15.0†	14.0	0.7	4.9	13	10.9‡	–1.0	10	2.9‡	–13.8	average
Questar		9	14.8	16.2	0.6	9.8	9	15.4	24.4	2	13.5	–5.1	high
Consol Natural Gas		10	14.4	16.2	0.6	5.7	8	16.4	10.0	3	10.2	16.9	high
Columbia Gas System		11	14.1	12.5	0.8	3.8	5	17.2	1.7	8	4.7	15.6	average
National Fuel Gas		12	12.2	18.0	0.7	3.0	10	14.3	9.2	5	8.7	69.4	average
Atlanta Gas Light		13	9.7	16.3	1.1	1.6	3	20.6	10.1	13	–4.2	44.7	low
Medians			**15.1**	**16.2**	**0.7**	**3.8**		**16.9**	**9.2**		**5.2**	**0.7**	
Producers & pipelines													
Mitchell Energy	61/ 42	1	34.3%	13.3%	1.7	7.8%	2	28.5%	–5.1%	3	14.9%	–18.6%	low
Pioneer		2	30.6	37.7	0.5	7.3	9	14.0	–5.2	5	11.7	95.7	low
Houston Natural Gas		3	23.5	11.8	0.3	7.6	7	15.9	–8.3	6	10.9	–8.8	average
United Energy Res		4	23.2	7.2	0.5	0.7	6	17.0	–4.6	12	–12.9	20.8	very low
Valero Energy		5	22.0	def	0.9	3.0	11	9.3	13.1	1	41.1	P-D	low
Transco Energy		6	20.6	16.4	1.2	3.5	1	32.9	–4.5	2	16.1	16.8	high
Panhandle Eastern	89/ 76	7	18.9	10.5	1.2	4.5	4	19.8	0.1	8	4.6	7.7	low
Amer Natural Res	84/100	8	17.5	17.8	1.0	5.1	8	15.3	8.8	7	9.6	10.0	high
Texas Eastern	77/ 60	9	17.3	11.9	0.7	2.9	3	21.8	6.8	11	0.0	21.9	very low
Tenneco	28/ 24	10	16.7	11.8	0.8	5.0	10	10.6	3.1	10	1.4	–5.8	very low
MidCon		11	13.7	13.6	0.8	3.7	5	19.7	25.3	9	4.2	18.2	average
Williams Cos	49/ 87	12	9.7	14.3	1.5	2.5	12	4.5	228.1	4	12.0	500.0+	very low
Medians			**19.8**	**12.6**	**0.9**	**4.1**		**16.5**	**1.6**		**10.3**	**13.4**	
Industry medians			**15.8**	**14.0**	**0.8**	**3.6**		**16.9**	**8.8**		**5.2**	**16.9**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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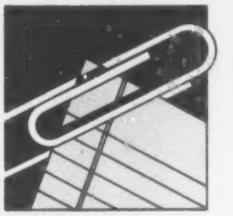
OFFICE EQUIPMENT



This used to be a crisp, clean business—though many balance sheets are now smudged. But recent signs are encouraging. Several companies gained in earnings and profitability.

THE OFFICE EQUIPMENT BUSINESS simply isn't as profitable as it once was. Five years ago the median five-year return on equity of these companies was 17.8%. Now it is 10.8%, which places the industry 33rd among the 42 sectors surveyed by FORBES.

Of the eight firms ranked below, only three show positive five-year earnings growth. Some of that strong performance comes from nonrelated businesses. Sanders Associates leads the pack with long-term earnings growth of 13.9%. But it gets lots more money from defense electronics than from graphics systems.

Still, there is good reason to be optimistic. During the latest 12 months, these companies managed to post an impressive 14.3% return on equity. That is roughly one percentage point above the all-industry median. More important, office equipment firms beat their five-year average. The all-industry median fell below that benchmark.

Among the turnaround stars, reorganized AM International shows more than a 200% increase in 12-month earnings. The best return-on-equity figure for the period belongs to Pitney Bowes, with 23.7%. Bell & Howell, which is heavily diversified in textbook publishing and vocational education, ranked second with 22.6%.

Income at Xerox was off 30.8%. This company has a 15.5% five-year average return on equity, but profitability was less than half that figure during the most recent 12 months. How come? Competition is keeping office copier margins tight, and losses from casualty insurer Crum & Forster, which Xerox acquired in 1982, also hurt the bottom line.

Because Savin, Bell & Howell, Nashua and AM International have all lost money in recent years, it is impossible to calculate a meaningful long-term earnings growth rate for these companies. Savin, in fact, is still not profitable. Its woes illustrate how quickly the mighty can fall.

Five years ago Savin was the star of the office equipment industry, with a five-year return on equity of 44.7% and a five-year earnings growth rate of 68.8%. Then Savin and its competitor Nashua decided to build their own copying machines instead of merely marketing imports. Nashua junked its effort in 1981, wrote off $28.5 million and quickly rebounded.

But Savin, though well behind schedule, continues to forge ahead. Yet the strain is telling: The company hasn't made money since 1979. Savin is also the most leveraged company in the group, with a 1.6 debt-to-equity ratio. ■

Office equipment

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Sanders Associates	34/ 29	1	21.9%	15.4%	0.1	5.8%	1	33.9%	29.1%	1	13.9%	10.3%	very high
Pitney Bowes	89/ 88	2	20.8	23.7	0.2	5.4	2	16.3	7.0	2	4.6	65.7	average
Moore Corp		3	16.9	13.1	0.1	5.3	5	6.4	10.3	3	0.1	–1.2	very low
Xerox	80/ 75	4	15.5	6.9	0.3	5.1	4	7.1	3.1	4	–7.4	–30.8	low
Savin		5	6.1	def	1.6	def	3	13.5	–2.5		NM	D-D	NM
Bell & Howell	70/ 58	6	5.0	22.6	0.2	5.0	6	4.0	7.8		NM	188.1	NM
Nashua	76/ 50	7	4.9	17.2	0.6	1.4	7	1.3	3.4		NM	D-P	NM
AM International		8	def	NE	NE	1.5	8	–5.1	7.3		NM	206.9	NM
Medians			**10.8**	**14.3**	**0.2**	**5.0**		**6.8**	**7.2**		**NM**	**10.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

OILFIELD DRILLERS AND SERVICES

An uptick in offshore activity helped business at many of these companies. Unfortunately, weak oil prices offset many of these gains. So the industry is still depressed.

THE GOOD NEWS FROM THESE COMPANIES is that the worst is over. The bad news is that they still have a long way to go.

In 1983 oilfield drillers and service firms wrote off more than $1 billion pretax and laid off thousands of employees. Thus the industry was neatly slimmed down last year, when U.S. drilling activity posted a healthy 9% increase.

All this helped the 20 companies in this Yardstick boost profitability by 70% from 1983. But that says more about how far down the industry was than how far up it has come. The 12-month return on equity of drilling and service firms is still 1.7%, a fraction of their 20.1% five-year average. No surprise that none of the companies on this roster managed to outperform their five-year figures. In fact, one-third are still reporting deficits.

The performance of the oil well construction companies chronicles the industry's malaise. "Things were somewhat better than 1983," says Thomas Cruikshank, chief executive of Halliburton, "but the increase was not as sharp as we expected." The problem? Pricing. Still, Halliburton was lucky. Its profitability held steady at 9.6%

Oilfield drillers and services

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Schlumberger	61/ 95	1	33.6%	19.4%	0.1	19.7%	6	16.9%	4.3%	4	19.0%	0.8%	high
Global Marine		2	31.6	def	1.4	11.0	1	33.4	–11.3	3	29.7	P-D	average
L B Foster	58/DP	3	31.1	5.3	0.9	def	18	0.3	22.4		NM	D-P	NM
SEDCO		4	27.6	23.0	0.6	23.5	14	8.8	–8.9	1	63.4	–13.8	average
Western Co of N A		5	23.9	def	1.6	def	2	25.0	5.2		NM	D-D	NM
Kaneb Services	46/ 65	6	23.8	def	0.6	7.7	11	13.2	–0.4	7	0.6	P-D	very low
Geo International		7	22.2	def	0.9	def	8	14.9	8.9		NM	D-D	NM
Cameron Iron	74/DD	8	21.0	def	0.6	def	4	19.2	–39.3	10	–25.4	D-D	very low
Reading & Bates	69/ 68	9	20.2	1.1	0.9	8.9	3	21.0	–16.6	5	7.4	–88.8	very low
Baker Intl	76/ 88	10	20.2	6.8	0.5	def	5	19.1	–0.2		NM	D-P	NM

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Sources: Media General Financial Services, Inc.; Forbes

despite tough competition. Western Co. of North America was less fortunate. Although it held fifth place for the second year, that's because high returns from 1982 and before boosted the five-year average. For the last two years the firm has lost money. As Western's old, lucrative drilling contracts expired, they were replaced by new jobs at cut-rate prices.

L.B. Foster, which makes and distributes tubular goods, gave up the industry's top spot in long-term profitability last year. Its five-year return on equity finally shows the effect of declining oil prices, even though Foster lost money for two quarters in 1983. Yet even though foreign pipe manufacturers flooded the U.S. market last year, Foster posted an earnings turnaround.

Schlumberger, which moves into first place, does so partly because of its geographic diversification. The giant firm is less involved in the North American markets, the hardest hit in this cycle. Moreover, as rig use increased—up 12% last year—so did demand for Schlumberger's wireline service, where revenues climbed by nearly 25%.

Much of the suspense about what Schlumberger would do with its cash ended in September, when plans to purchase SEDCO, an offshore driller, were announced. The fit seems good. Like its new parent, SEDCO enjoys a top-ranked long-term return on equity. The company's 41 offshore units benefited from two industry trends: On one hand, producers are exploring a record number of new tracts in the Gulf of Mexico. On the other, tax incentives in the North Sea are spurring drilling activity there.

Although Global Marine has moved up to second place on the Yardsticks, that's the result of its five-year average, rather than last year's return on equity. The company has more than tripled the number of rigs in its fleet, to 35 in the last six years, so you might think its profits would be quick to respond to the increase in offshore activity. Unfortunately, Global's expansion has boosted interest expense dramatically—the firm has the second-highest percentage of debt on this Forbes Yardstick.

"They financed equipment with high-cost money," says John Wellemeyer, an analyst with Morgan Stanley. "Revenues went up, but their costs went up faster." That problem, coupled with dividends from a late 1983 stock issue, led to losses for the most recent 12 months.

Excess capacity also hurt Reading & Bates, which posted a hefty earnings decline. Return on equity was 1.1%, not bad for a sector that ran barely in the black, but bleak in any other circumstances. By the end of last year, R&B's fleet had completed lucrative contracts negotiated before the downturn; now its rigs are either idle or employed under contracts that barely cover operating costs.

There were further tales of woe at Hughes Tool Co. Slow demand overseas hurt export sales of its drill bits, and inventory writedowns eroded profitability. Hughes also instituted an extensive restructuring plan in an attempt to save as much as $20 million annually. This regimen makes sense, since the drillers that did cut back showed the best results last year. In 1983 Baker International sharply reduced inventory as well as employment, moves culminating in a $206 million pretax charge. Last year it reversed previous losses to post a 6.8% return on equity.

At Cameron Corp., another convert to cost-cutting measures, earnings again ran in the red, owing to a sharp falloff in domestic deep-well drilling, the biggest factor in the company's two-year 55% sales plunge. Management is doing what it can to try to salvage the situation. Cameron repaid nearly $55 million in debt in fiscal 1984 (which, for Cameron, ends in June), reduced employment by 10%, and cut the quarterly dividend to 3 cents a share, from 10 cents, for an annual savings of $8 million.

There's brighter news over at Zapata, where offshore drilling buoyed earnings. With a 5.9% 12-month return on equity, it ranks sixth in the industry. McDermott International's marine construction services are turning around. Although the company shows up at the bottom of the profitability Yardstick for the second year in a row, its profitability was respectable—at least within the context of this troubled industry. The future looks bright, too: Analysts predict that increased demand for offshore drilling platforms will push McDermott's earnings sharply higher in the next three to five years. ■

Oilfield drillers and services

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Parker Drilling	84/ 66	11	20.0%	def	0.9	def	10	13.3%	–35.6%		NM	D-D	NM
Halliburton	51/ 80	12	18.3	9.6%	0.2	5.7%	16	2.6	–5.6	9	–0.3	4.3%	very low
Tidewater		13	18.1	def	0.6	0.5	12	11.7	–14.0	11	–33.3	P-D	very low
Zapata	86/ 98	14	17.8	5.9	1.0	10.7	20	–3.0	–4.9	2	55.9	–47.8	average
Big Three Inds	45/ 36	15	17.0	8.4	0.3	6.8	13	11.1	13.4	8	0.0	4.2	very low
Hughes Tool	83/DD	16	16.3	def	0.4	def	7	16.2	–3.1		NM	D-D	NM
NL Industries	66/DP	17	14.7	0.9	0.4	def	19	–2.2	–10.0		NM	D-P	NM
Smith Intl	91/DD	18	14.0	2.3	0.5	def	9	14.1	–2.1		NM	D-P	NM
Dresser Inds	38/DP	19	13.1	4.0	0.2	0.1	15	3.9	0.5	12	–42.8	500.0+	low
McDermott Intl	38/ 43	20	9.2	3.1	0.5	3.9	17	1.7	–7.0	6	7.1	–58.2	very low
Industry medians			**20.1**	**1.7**	**0.6**	**0.3**		**13.3**	**–4.0**		**–29.4**	**P-D**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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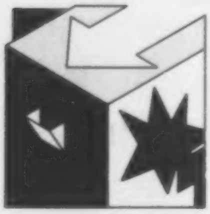
Sources: Media General Financial Services, Inc.; Forbes

PACKAGING



Someday, plastics may provide most of the profits at these companies. But change comes slowly in any basic industry, and last year the companies that made plain old cardboard boxes did very well indeed.

THE BIG STORY IN THE PACKAGING INDUSTRY is who's gone or who's going to disappear next year. Mergers, acquisitions and leveraged buyouts abound. In 1984 Kiewit Construction and investor David Murdock took Continental Group private. NVF is completing a leveraged buyout of National Can, and Champion recently finished its takeover of St. Regis. At the moment Teledyne holds a 30% position in Brockway, and Monaco Group Fund SA, based in Panama, holds a 9.4% stake in Kerr Glass.

The reason for all of this action is fairly simple. A lot of these stocks were trading below book value, and packaging is the kind of business in which capital expenses should be low. If all goes well, insiders can generate cash to pay off debt, then make a bundle. Only time will tell if this thinking pays off, but for now a lot of shareholders are cashing in: Share price rises of over 50% are common in change-of-ownership situations.

For the firms that stayed independent, 1984 wasn't a particularly good year. According to the median performance numbers, the industry barely edged above its five-year return on equity in the most recent 12 months. But in terms of earnings, the results are much more encouraging: The economic recovery helped these companies post an impresssive 42.4% 12-month earnings gain.

Plastics has become the key to the packaging industry, with the polyethylene terephthalate (PET) bottle grabbing an increasing market share. However, in 1984 the producers fell victim to success. Although the use of plastic containers increased, production accelerated even more, softening pricing and slashing profitability. Performance at Dorsey Corp. illustrates what happened: It has about 30% of the market for two-liter PET soda bottles, but

Packaging

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Jefferson Smurfit		1	54.1%	22.1%	1.7	1.7%	1	56.4%	22.1%	1	139.4%	98.2%	average
Tyco Laboratories	48/ 40	2	27.6	20.3	0.3	4.6	2	29.8	19.6	8	1.8	68.3	very low
Fort Howard Paper	27/NA	3	24.3	17.4	0.2	13.6	3	20.1	104.6	2	15.1	11.5	very high
Sonoco Products		4	17.1	17.4	0.2	5.0	6	12.6	12.6	6	7.6	33.9	average
Ball Corp	71/ 66	5	16.5	17.1	0.4	4.3	5	13.4	15.6	4	12.0	16.8	very high
Avery Intl		6	15.9	18.7	0.3	4.2	8	9.8	19.5	3	12.0	41.7	very high
Union Camp	37/ 8	7	15.6	15.3	0.5	7.9	14	6.2	18.4	9	–0.6	50.4	very low
Dennison Mfg	53/ 88	8	15.4	16.2	0.2	5.0	9	9.1	14.0	7	1.9	28.4	very low
Stone Container		9	14.0	7.4	2.0	def	4	15.4	143.6		NM	43.0	NM
National Can		10	13.7	12.0	0.4	1.3	12	7.0	17.6	11	–5.7	116.5	very low

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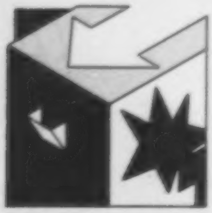


LBOs abound in this sector. If all goes well, insiders generate cash to pay off debt, then make a bundle.

profits dropped nearly 50%, and return on equity fell from 13.6% in 1983 to 10.1% in the most recent 12 months.

There's better news from the companies that make plastic packaging. Plastic bags are gradually replacing paper grocery bags and sacks. This improves margins at firms that produce them and sucks profits from the big producers of brown paper bags, like St. Regis. Its profitability for 1983 was among the group's worst. Contrast this with Sonoco Products, a big producer of plastic bags. Its 12-month profitability climbed from 14.2% in 1983 to 17.4% last year. Tyco Laboratories hasn't capitalized on the plastic bag business. But it is a leading producer of soft plastic containers, one of the industry's most promising products.

As for glass containers, the faster companies moved to cut capacity, the better they did. Owens-Illinois, the nation's largest glassmaker, shut 4 of its 22 plants in the last 24 months, reviving its return on equity from an anemic 2.6% in 1983 to 12.4% last year. As it de-emphasized glass, the company has been turning its attention elsewhere.

Brockway, in contrast, has been much slower to cut excess capacity. That explains why it lost money last year. It didn't help that the company was the major seller of bottles to Philip Morris' Miller Brewing, which has steadily lost market share to Anheuser-Busch.

While glass continued its trend downward, the can business began to show signs of life. The use of metal containers is up about 5%, thanks mostly to improved demand from brewers and soft-drink bottlers. "It appears the consumer likes cans better," says Richard Palm, an analyst with Merrill Lynch. Why? "They are easier to ship, they take up less space and they don't break."

Even American Can, which ranks near the bottom with a five-year average return on equity of 4.4%, did well last year. Though part of the improvement can be attributed to its plastic container business, its installation of more cost-efficient equipment, along with its development of the lead-free solderless can, also played a big role.

Aside from paper bags, the other news from the paper packaging business was good. This strength helped Jefferson Smurfit, a new entry on the Forbes Yardsticks, earn its high profitability rating. But look closely at the company's debt/equity ratio of 1.7. This is well above the industry average and adds significantly to the risks of doing business. Jefferson, the U.S. arm of an Irish paper packager, had its first public offering in the U.S. late in 1983.

As the economy strengthened, prices for paper boxes went up accordingly. Those boxes helped Federal Paper Board pack in a 20.8% return on equity in the most recent 12 months, well above its long-term average. Mead Corp. and Temple-Inland have the same trend to thank for their strong profitability comparisons. ■

Packaging

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Federal Paper Board	30/ 20	11	13.2%	20.8%	1.4	2.2%	10	8.2%	14.8%	5	8.6%	424.1%	very low
International Paper	46/ 5	12	13.0	7.1	0.3	5.9	24	–0.4	10.4	13	–10.8	25.4	low
Crown Cork & Seal		13	12.2	10.7	0.0	4.0	23	–0.1	2.6	10	–4.7	43.1	low
Dorsey	73/ 87	14	10.7	10.1	0.4	2.3	16	4.9	17.5		NM	–25.4	NM
St Regis	29/ 8	15	9.7	8.8	0.5	2.0	18	3.0	12.6	16	–22.9	D-P	average
Mead	30/ 20	16	9.5	15.6	0.7	1.6	21	0.8	–6.3		NM	D-P	NM
Bemis		17	9.5	9.8	0.5	1.7	20	1.2	11.5	12	–7.7	63.4	low
Owens-Illinois	80E/ 80E	18	9.0	12.4	0.4	2.0	19	1.6	–1.4	14	–14.9	D-P	low
Temple-Inland	72/ 47	19	8.8†	12.8	0.3	4.1	13	6.8‡	7.2		NA	NA	NA
Boise Cascade	31/ 33	20	8.4	7.5	0.4	1.8	17	4.4	16.5	17	–34.2	110.3	average
Longview Fibre	53/ 9	21	8.2	14.3	0.8	4.6	15	5.1	34.0	15	–17.0	217.3	low
Anchor Hocking	26/ 26	22	6.9	4.1	0.3	def	22	0.7	–29.8		NM	D-P	NM
Brockway Inc (NY)		23	6.5	def	0.4	0.0	7	10.2	12.4	18	–46.4	P-D	average
American Can	47/ 58	24	4.4	8.9	0.6	2.5	25	–3.3	–1.6		NM	23.4	NM
Kerr Glass Mfg		25	1.7	def	0.2	def	11	7.8	–44.1		NM	D-D	NM
Medians			12.2	12.4	0.4	2.3		6.8	14.0		–10.8	42.4	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

DD: Segment deficit, total deficit. DP: Segment deficit, total profit. PD: Segment profit, total deficit. E: Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

PAPER

For the first half of last year, the strong economy helped paper companies post impressive performances. Then the dollar took off, and the industry's profits began to sink.

For most paper companies 1984 was a very good year. Part of the reason is that this basic industry is benefiting from important changes elsewhere in the economy. The proliferation of personal computers boosts demand for uncoated white paper. The growth of direct mail shopping does the same for coated catalog stock.

The bottom line is that 20 of the 24 companies in this group showed increased operating earnings for the most recent 12 months. But in terms of profitability, results are less impressive. Over half these companies—including stars like James River and Fort Howard—failed to match their long-term return-on-equity averages.

Even some of the apparently good numbers can be deceiving. Federal Paper Board turned in a 424% earnings gain. But the company was recovering from an unusually poor performance in 1983. Also, Federal has an unusually high debt/equity ratio. This penalizes the company's return on total capital.

What penalized nearly every paper company last year was the strong dollar. "It created two scissors cutting profitability," says Bruce Kirk, an analyst with Goldman, Sachs. "Not only did a high currency value make it tougher to export, but the paper companies had foreigners nipping at their heels in the domestic market as well."

More than half of all the market pulp produced in the U.S. is sold outside the country. When it comes to liner-

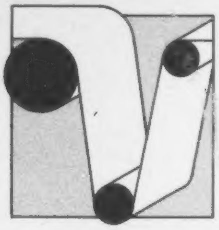
Paper

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
James River	67/NA	1	35.4%	24.7%	0.8	4.3%	1	50.5%	27.8%	1	18.8%	13.6%	average
Fort Howard Paper	68/NA	2	24.3	17.4	0.2	13.6	2	20.1	104.6	2	15.1	11.5	very high
Bowater		3	20.3†	16.8	0.6	4.9	15	5.1‡	20.2	12	–5.9‡	61.1	low
Alco Standard	41/ 37	4	19.4	15.5	0.4	2.0	3	13.0	23.6	4	4.2	5.6	average
Consolidated Papers		5	18.6	20.0	0.0	8.5	8	7.5	22.0	8	–1.7	54.2	very low
Kimberly-Clark	30/ 30	6	18.1	14.3	0.3	5.8	5	11.0	11.1	5	0.8	22.8	very low
Union Camp	37/ 83	7	15.6	15.3	0.5	7.9	11	6.2	18.4	7	–0.6	50.4	very low
Great Northern	85/ 78	8	13.4	14.2	0.5	5.4	6	9.5	22.3	6	0.5	68.6	very low
Federal Paper Board	61/ 75	9	13.2	20.8	1.4	2.2	7	8.2	14.8	3	8.6	424.1	very low
International Paper	33/ 19	10	13.0	7.1	0.3	5.9	23	–0.4	10.4	13	–10.8	25.4	low
Westvaco	89/ 96	11	12.8	15.8	0.4	4.2	12	5.7	18.3	10	–3.4	100.0	very low
Hammermill Paper	77/ 65	12	11.4	13.5	0.6	2.0	4	11.5	21.5	[illegible]	–3.3	212.5	very low

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year-growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes



The strong dollar created two scissors cutting profitability. It made it harder to export and brought foreigners into the domestic market.

board, the figure is far less, but exports still amount to up to 15% of total domestic production. When the value of the dollar increased, foreign sales went down. In recent years Weyerhaeuser exported more than 22% of its pulp. Last year that figure dropped to 18%. That is one of the major reasons the company's profits dropped approximately 22% below its five-year average.

But something else happened. Price competition at home got more aggressive, further eroding profitability. Consider the situation in the market for printing and writing papers. In 1983 foreigners had a mere 6% of this business in the U.S. But by the second quarter of last year, that figure had jumped to over 10%.

Now look at what happened to prices: Uncoated printing and writing paper sold for up to $800 a ton in 1983, but some could be bought for less than $700 last year. This pushed down profits at major producers like International Paper and Champion International, both of which turned in among the poorest performances in the group.

Because magazine publishers like their supplies close to home, companies supplying coated stock were less affected by the dollar's climb. Westvaco, Bowater and Consolidated Papers are all big in this market. Each company showed at least 50% year-to-year increases in earnings. The gains place them near the top of the group rankings. Coated paper also helped St. Regis, though it's difficult to tell that from the Yardstick data. The FORBES data include several nonrecurring writeoffs, among them $55 million in costs earmarked for the company's recent merger with Champion International.

This deal makes Champion one of the biggest forest products companies in the nation, and it could have profound implications. Andrew Sigler, Champion's chairman, had long been a proponent of building rather than buying mills. But he reversed his philosophy when he paid $1.3 billion for St. Regis.

Georgia-Pacific has no new operations on its drawing boards, either. Instead, last spring the company paid $365 million for St. Regis' first-class unbleached paper mill in Monticello, N.Y. G-P began a restructuring program two years ago, focusing on its core building products and paper businesses. With last year's fat earnings increase as well as profitability gains, the strategy seems to be working. Now planned asset sales could reduce the company's exposure to expensive variable-rate debt, lightening the load for a climb further up the Yardstick rankings.

Some of the current moves at Champion and G-P, in fact, may be an attempt to emulate the strategy of James River Corp., the industry's longtime maverick. It has steadily boosted profits by snapping up poorly managed mills and making them run right. Even though discounting hurt profits last year, the firm's 25% return on equity was nearly double the industry average. On a five-year basis, James River's profitability averages 35.4%, 29th among the 1,000 companies ranked in this issue. ■

Paper

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Weyerhaeuser	23/ 17	13	10.9%	8.5%	0.4	4.2%	17	3.1%	16.5%	17	–23.0%	72.9%	high
Scott Paper	31/ 35	14	10.8	11.5	0.4	5.0	9	7.3	8.9	11	–5.7	82.4	low
Willamette Inds	65/ 88	15	9.9	12.1	0.7	2.1	13	5.3	12.9	19	–31.5	118.6	high
St Regis	46/ 54	16	9.7	8.8	0.5	2.0	19	3.0	12.6	16	–22.9	D-P	average
Mead	70/ 80	17	9.5	15.6	0.7	1.6	22	0.8	–6.3		NM	D-P	NM
Georgia-Pacific	26/ 15	18	9.2	11.1	0.7	1.6	10	6.2	12.6	18	–28.2	500.0+	high
Potlatch	63/ 94	19	8.9	7.4	0.5	4.5	20	2.4	13.4	15	–22.1	52.8	high
Boise Cascade	35/ 55	20	8.4	7.5	0.4	1.8	16	4.4	16.5	21	–34.2	110.3	average
Champion Intl	40/ 68	21	8.3	7.4	0.6	1.9	18	3.1	9.6	20	–32.3	119.4	high
Longview Fibre	34/ 61	22	8.2	14.3	0.8	4.6	14	5.1	34.0	14	–17.0	217.3	low
Crown Zellerbach	76/ 83	23	4.8	8.6	0.5	3.2	21	1.9	12.5		NM	D-P	NM
Southwest Forest	51/DP	24	0.8	0.7	1.3	def	24	–1.3	22.3		NM	D-P	NM
Industry medians			11.2	13.9	0.5	4.2		5.5	16.5		–8.4	70.8	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

PETROLEUM

Record-breaking mergers may make for nice headlines, but they don't do much for profits. Unfortunately, neither do falling prices and refinery overcapacity.

WITH TOO MUCH OIL chasing too few buyers, it was not a good year for the petroleum industry. Of the 43 companies in this Yardstick only Holly Corp. and Coastal Corp. beat their five-year profitability averages.

It didn't help that there was little money to be made in downstream operations. The problem? Overcapacity, which hit everywhere from tankers to refineries to the corner service station. "The situation was not managed well," explains Barry Good, a managing director at Morgan Stanley, who doesn't expect the situation to improve soon. "Watching surplus disappear would be similar to watching the grass grow," says Good.

Not that there wasn't excitement in this industry. Lots of thrills came from mergers and acquisitions. But any enjoyment that shareholders at Mobil, Texaco and Chevron felt as these companies made takeover headlines is now tinged with disappointment. All three acquirers reported below-average profitability for 1984.

What went wrong? Mobil's purchase of Superior has diluted earnings, since the cost of the acquisition was higher than its income. At Chevron and Texaco there hasn't been any dilution. Instead, the trouble comes in trying to make the acquisitions work. But who said absorbing $10 billion-plus companies like Gulf or Getty is easy?

Petroleum

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
International oils													
Occidental Petrol	57/ 98	1	33.2%	13.8%	0.6	2.5%	2	24.5%	–16.9%		NM	D-P	NM
Exxon		2	20.1	19.4	0.2	5.6	5	7.5	7.1	1	9.2%	22.9%	low
Chevron		3	18.4	10.7	0.1	5.8	7	3.9	–2.8	3	3.0	–6.8	very low
Phillips Petroleum	84/ 99	4	18.3	14.4	0.4	4.8	3	17.1	2.3	5	–2.9	40.4	very low
Mobil	81/ 97	5	17.5	10.3	0.4	2.8	4	9.7	2.5	4	1.2	–11.3	very low
Texaco		6	15.2	7.6	0.2	3.1	6	7.1	–4.0	2	3.9	–11.8	very low
E I du Pont	52/ 29	7	14.7	13.0	0.4	3.2	1	30.9	4.6	6	–5.9	47.8	low
Medians			**18.3**	**13.0**	**0.4**	**3.2**		**9.7**	**2.3**		**1.2**	**8.1**	
Other oil and gas													
Charter	79/ 18	1	45.2%	def	0.6	def	19	15.4%	70.3%		NM	P-D	NM
Standard Oil Ohio	78/107	2	42.4	18.8%	0.5	13.0%	13	17.9	1.5	4	22.1%	–7.5%	average
Phibro-Salomon	67/ 43	3	36.7	20.7	0.3	1.6	5	23.7	0.9	3	22.5	1.2	average
Mitchell Energy	30/ 49	4	34.3	13.3	1.7	7.8	3	28.5	–5.1	6	14.9	–18.6	low
Texas Oil & Gas		5	33.4	29.0	0.6	16.1	6	23.1	11.6	1	31.9	17.0	very high
Tesoro Petroleum		6	30.2	2.7	0.2	1.7	26	11.7	10.8	15	4.1	–80.7	very low
Pennzoil		7	25.7	17.8	0.7	7.1	35	7.1	13.0	21	–0.4	43.4	very low
Freeport-McMoran	26/ 21	8	24.4	12.5	0.4	11.9	10	19.6	6.4	12	10.0	67.1	very low
Tosco		9	22.4	NE	NE	def	11	18.4	–34.6		NM	D-D	NM
Atlantic Richfield	86/105	10	22.2	6.5	0.4	6.2	17	16.0	0.8	10	12.2	–55.6	average

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Sources: Media General Financial Services, Inc.; Forbes

U.S. Steel's 1982 takeover of Marathon Oil is a definite bright light, although hardly electrifying. Marathon reversed the slide in its domestic petroleum reserves by purchasing Husky Oil's U.S. properties, but the company didn't provide enough of a push to get U.S. Steel, its parent, back into the black for the past 12 months.

For a quick lesson on the right way to purchase reserves, take a look at top performer Exxon. Instead of paying a bundle for another oil company, Exxon, the most profitable of the multinationals, managed a quiet $2.5 billion stock repurchase plan.

The same success story can be heard from Standard Oil of Ohio, which turned in a top performance by, in effect, purchasing reserves from shareholders, rather than paying through the nose on the open market. Atlantic Richfield also benefited from a 25-million-share repurchase plan launched last August, although it can't be seen in this year's profits. The company financed the repurchase by selling most of its metal division, which helped generate nearly $800 million in writedowns, dragging Arco's annual earnings down to 6.5%.

It's no secret the refineries are in bad shape. Look at Charter: Its impressive five-year return on equity belies the fact that problems with single-premium deferred annuities and refinery overcapacity forced the company to file for bankruptcy last April. Crown Central Petroleum also reported a deficit last year, largely because of its troubled refinery operations near Houston.

Problems in refining and marketing exacted their toll on Amerada Hess, too. It posted a $30 million loss in the second quarter, causing a 56% drop in operating earnings. That devastated profitability. Return on equity for the most recent 12 months was 9.2%, less than half the company's five-year average.

Given that Coastal Corp. owns four refineries, you would expect it to be hard hit by problems in downstream operations. So it was, but the company remained one of two that beat its five-year average profitability. Why? That 63-cents-a-share gain reaped from its takeover tussle with Houston Natural Gas came in very handy.

Until recently, Tesoro Petroleum's Kenai refinery, one of the company's strongest operations, remained immune to price competition: The plant serves Alaska, where customers have few alternatives. But now pricing problems have even spread north, which hurts Tesoro's profitability. Last year the company's return on equity fell to 2.7%. ■

Petroleum

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Murphy Oil		11	21.9%	10.0%	0.3	5.5%	16	16.1%	–15.2%	5	21.0%	–32.3%	average
Amerada Hess		12	21.5	9.2	0.7	2.5	29	11.1	5.5	24	–7.0	20.7	low
Cabot	48/ 80	13	21.5	14.4	0.4	4.1	18	15.7	12.5	14	4.7	51.0	very low
Ashland Oil	72/100	14	20.3	def	0.5	1.2	33	9.5	5.1	29	–22.4	P-D	low
Louisiana Land	89/133	15	19.9	15.0	0.8	7.8	14	17.0	11.1	25	–7.1	17.4	low
Standard Oil Indiana		16	19.6	17.5	0.3	6.8	22	13.5	–0.4	11	10.1	21.0	average
MAPCO	64/ 85	17	19.3	12.2	0.8	2.4	2	29.8	4.7	26	–11.9	36.8	average
Unocal	88/ 86	18	19.3	14.0	0.3	6.2	30	11.1	6.8	9	12.5	7.5	average
Pacific Resources		19	19.0	def	1.0	0.7	4	27.9	26.6	22	–4.0	P-D	very low
Shell Oil	82/ 94	20	18.9	15.3	0.4	8.3	25	12.0	4.9	7	13.5	14.2	high
Sun Company	89/ 95	21	18.2	8.9	0.4	3.1	21	14.3	2.6	20	0.5	–12.3	very low
Southland	27/ 8	22	17.4	14.8	1.0	1.5	7	22.5	50.1	8	13.5	–0.9	very high
Tenneco	27/ 54	23	16.7	11.8	0.8	5.0	31	10.6	3.1	18	1.4	–5.8	very low
Holly Corp		24	16.7	41.3	0.0	7.1	12	18.3	–7.4	19	1.0	346.3	very low
American Petrofina	85/ 93	25	16.3	8.8	0.5	2.7	24	12.3	0.5	16	2.8	9.0	very low
Crown Central		26	16.0	def	0.8	0.2	9	20.0	2.6	30	–42.7	P-D	low
Coastal Corp	78/ 26	27	15.4	18.7	1.3	1.6	20	14.4	8.5		NM	30.2	NM
Quaker State Oil	80/ 84	28	14.1	10.8	0.3	4.1	27	11.5	2.4	13	6.5	–11.4	average
Kerr-McGee	79/ 86	29	13.3	6.8	0.4	3.4	28	11.4	–1.0	17	2.3	–32.7	very low
Union Pacific	52/ 33	30	13.2	7.7	0.5	3.6	8	20.7	–0.6	23	–4.6	–19.0	low
Diamond Shamrock	67/ 58	31	11.3	1.5	0.7	def	15	16.5	27.1		NM	P-D	NM
DWG	30/ 46	32	11.1	1.9	2.0	0.5	23	13.2	107.0	2	28.5	–93.4	high
Natl Distillers	31/ 23	33	10.6	6.4	0.3	2.6	36	6.5	88.2	27	–12.7	47.4	average
DEKALB AgResearch	25/ 59	34	10.4	8.2	0.4	2.4	34	8.2	13.1	28	–17.0	121.5	average
Penn Central	36/ 46	35	9.1	1.9	0.2	0.8	1	34.6	0.4		NM	–52.1	NM
United States Steel	52/NM	36	def	def	1.3	def	32	10.0	11.5		NM	D-D	NM
Medians			**19.1**	**9.6**	**0.5**	**2.9**		**15.6**	**5.0**		**1.2**	**–6.7**	
Industry medians			**18.9**	**10.7**	**0.4**	**3.1**		**15.4**	**4.6**		**1.2**	**–6.3**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

PUBLISHING

Changing technology is a boon to publishers. But selling computer ads in magazines is a more profitable way to enjoy these advances than developing expensive new ways to deliver information.

THE NUMBERS ARE TERRIFIC for the publishing industry, and appropriately so: Many of these companies' gains came from their ability to supply more and more numbers, and other information, through the expanded use of electronic databases.

Sales gains nearly equaled the industry's five-year average of 13.9%. But profitability climbed, and so did margins, even though the sector's median debt-to-equity ratio rose. Most impressive, though, is the median earnings gain of 27.3%. That's more than twice the five-year average.

A key reason for these stellar numbers is the industry's unusual ability to repackage information for easy access by computers. But when publishers try to develop new technologies, trouble often develops.

Consider what happened when, in the early 1980s, a number of media companies, including Time, Knight-Ridder, Cox and CBS, entered into a new medium, which would allow a consumer to summon information, his checkbook balance or games through his television set.

As FORBES noted in its industry review two years ago, the whiz-bang technology sounded great, but to succeed, those services would have to attract both viewers and advertisers. But most of the media companies couldn't attract enough viewers to cover the high cost of the technology. Survivors, like Knight-Ridder, have scaled back.

Thomas Murphy, chairman of Capital Cities Communications, expresses the thought of most publishers. "I'm

Publishing

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Dow Jones		1	32.7%	30.7%	0.0	13.2%	1	18.8%	13.5%	2	19.7%	22.6%	very high
Dun & Bradstreet		2	31.6	88.5	0.0	11.1	8	14.8	15.3	4	18.1	144.6	very high
Deluxe Check		3	29.2	29.7	0.0	12.4	9	14.7	9.4	3	19.2	17.9	very high
Washington Post	86/ 70	4	22.7	25.1	0.0	7.8	14	11.0	12.6	12	9.3	29.5	average
McGraw-Hill	88/ 87	5	22.7	22.8	0.0	9.8	13	11.1	7.9	10	13.8	13.9	very high
Capital Cities	60/ 45	6	22.7	21.1	0.3	15.0	5	16.2	22.4	7	17.0	25.0	very high
Gannett	77/ 79	7	22.0	20.6	0.3	11.3	3	17.6	12.8	11	11.5	12.9	very high
New York Times		8	19.8	22.8	0.2	7.2	6	16.1	14.0	1	28.7	37.0	very high
Interpublic Group		9	19.6	20.6	0.1	4.3	11	13.5	10.7	17	0.4	33.9	very low
Times Mirror	82/ 82	10	19.2	20.6	0.5	8.1	12	11.6	14.5	14	4.7	34.4	average

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

"Unlike 'image' advertisers, computer companies must include a fair amount of detailed copy in their advertisements. That means print ads."

cautious about investing a lot of money into technology 'that's still looking for a way to support itself," he explains.

While the new technology still has to prove itself, databases—the computerized storage of information—seem to be a surer bet. Business is the primary market, and so far its need to obtain more information faster continues unsated.

Dun & Bradstreet, the grandfather in the field, took another giant step toward consolidating its leadership position last August when it acquired A.C. Nielsen Co., best known for its television ratings, but really a full-scale consumer research firm. That acquisition explains D&B's 144.6% gain in earnings.

McGraw-Hill, which derives 30% of its revenues from electronic information distribution, reorganized late last year to make its database information more responsive to the market. McGraw-Hill thinks 40% of its revenues will come from its databases in the 1990s. That prospect is pleasing, since the delivery of electronic information is more profitable than print.

Dow Jones, which saw third-quarter earnings fall 6%, briefly worried Wall Street. When officials announced that earnings would be off, its stock dropped 16%. Still, Dow Jones led the publishing industry last year as it has every year since 1978. One of its hot new products: a profitable News/Retrieval service, which carries 28 databases and serves 150,000 clients.

Even firms that are not investing in the computerized data benefit from the boom in computers. "Computer, office equipment and other similar companies have fat advertising budgets," explains Merrill Lynch analyst Peter Falco. "Unlike the 'image' advertisers, such as the fast-food companies, these businesses must include a fair amount of detailed copy in their advertisements. That means print ads."

Time Inc., the nation's leading magazine publisher, is a good example of the trend. In 1984 the magazine sector contributed an estimated 41% of operating income, compared with its 31% contribution in 1983. The timing could not have been better. The success that Time had with its magazines offset the difficulty it had with HBO, its cable subsidiary.

Among newspaper publishers, the *New York Times* moved up two spaces to eighth this year. The reason: better margins and substantially reduced long-term debt. The *Washington Post* moved up a notch, too. It benefits from minimal competition in the nation's capital.

Gannett turned in another solid year and remained in seventh place, despite continued losses at *USA Today*. Without this national newspaper, noted for its short articles and innovative use of color, earnings would have been about 20% higher. Still, Gannett's 11.3% net margins are well above the industry norm. ■

Publishing

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Meredith	73/ 57	11	18.5%	18.0%	0.3	8.5%	17	10.2%	3.8%	6	17.6%	4.1%	very high
Media General	73/ 82	12	17.6	15.7	0.3	7.1	7	15.5	9.7	8	14.5	8.8	very high
Knight-Ridder		13	16.7	16.7	0.1	8.1	15	10.9	13.8	13	8.0	19.1	very high
American Greetings		14	16.7	17.9	0.3	7.3	2	18.2	13.7	5	18.0	30.6	high
Scott & Fetzer	40/ 28	15	16.5	18.8	0.3	5.1	19	2.8	11.9	15	1.8	32.0	very low
R R Donnelley		16	16.3	18.1	0.0	7.4	10	14.3	15.7	9	14.2	16.0	very high
Harcourt Brace	78/ 68	17	13.9	18.1	0.6	4.2	18	9.0	13.0	16	0.7	235.5	very low
Tribune	71/ 87	18	11.9	13.1	0.3	4.4	16	10.2	12.5	18	–5.4	6.2	very low
Macmillan	70/ 70	19	4.7	19.4	0.5	5.8	20	–6.9	20.5		NM	33.2	NM
Time Inc	56/ 26		NA	23.0	0.5	4.3	4	17.0‡	13.6		NA	76.6	NA
Medians			19.2	20.6	0.3	7.6		13.9	13.3		12.6	27.3	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

RETAILERS–GENERAL

A newcomer heads this industry, pushing last year's leader, R.H. Macy, down a notch. But look at the numbers closely, and you won't feel sorry for the big New York chain.

As it happens, the number one firm among department stores, Lucky Stores, is only one-quarter a department store chain. And right now its department store operations are losing money.

Lucky, which does business in the West, Midwest and South, is primarily a food retailer. That accounts for its 1.3% margins—very low for a department store but terrific for a supermarketer. Food also is the main reason for the diversified company's current earnings growth. Customers at its Gemco retail stores are staying away from big-ticket goods, and this caused earnings to disappear during the fall quarter of 1983.

In 1984, however, Lucky didn't even appear on the Forbes department store roster. But now its arrival pushes 1983's number one entrant—R.H. Macy—to second place. Macy's 12-month return on equity dropped from 22.3% to 19.9% in 1984. But there the bad news ends. Macy's margin, at 5.5%, still tops the list, perched loftily above

Retailers—general

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Department stores													
Lucky Stores	25/ 24	1	22.3%	16.8%	0.6	1.3%	6	12.1%	8.1%	11	1.7%	–15.8%	low
R H Macy		2	20.4	19.9	0.2	5.5	4	13.5	15.2	2	21.1	6.4	very high
Mercantile Stores		3	16.1	16.2	0.3	5.1	7	11.6	10.6	3	16.8	13.3	high
Dillard Dept Stores		4	16.0	21.0	0.6	4.0	1	21.2	30.6	1	32.2	36.6	high
May Dept Stores	71/ 72	5	15.6	17.6	0.5	4.4	11	9.5	14.8	7	9.3	21.3	high
Federated Dept Stores	71/ 87	6	14.5	12.9	0.3	3.9	9	10.0	10.3	8	8.8	–2.5	average
Allied Stores		7	12.7	13.4	0.8	3.5	5	12.5	9.9	9	6.2	7.3	average
J C Penney	87/NA	8	12.4	13.5	0.5	3.9	14	1.8	12.9	6	11.6	15.3	high
Assoc Dry Goods	65/ 72	9	11.6	13.7	0.5	3.1	2	19.7	13.1	4	15.9	13.8	very high
Strawbridge		10	11.3	14.0	0.8	3.8	10	9.8	14.7	5	13.0	24.1	high
Carson Pirie Scott	39/ 33	11	10.6	5.6	0.8	1.8	3	18.3	23.6	12	–5.3	–42.4	low
Carter Hawley	66/ 51	12	10.3	14.2	0.7	1.9	8	10.5	29.2	13	–8.9	83.1	average
Sears, Roebuck	69/ 53	13	10.2	14.4	0.8	3.6	12	7.7	12.8	10	3.8	18.0	low
Alexander's		14	1.4	6.3	1.0	0.8	13	3.5	1.2		NM	–13.6	NM
Medians			**12.6**	**14.1**	**0.6**	**3.7**		**11.1**	**13.0**		**9.1**	**13.6**	

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Sources: Media General Financial Services, Inc.; Forbes

the 3.7% subgroup median. Macy's debt-to-equity ratio is a mere 0.2. That is one-third the subgroup average and the lowest of any department store on this list.

Even as Macy's seems to have found the key to solidly successful selling, Sears, Roebuck, which ranks near the bottom of its subgroup, is trying to find the way back. But the nation's biggest retailer is so heavily into financial services that barely half its profits come from retail operations. Still, in terms of sales Sears remains very much a merchant: More than two-thirds of its revenues comes in through the cash register.

There are signs of a turnaround in the making. Although Sears' five-year return on equity is 10.2%, its 12-month returns were somewhat better, 14.4%, up from 13.3% last year. Were the firms ranked on that basis, Sears would have come in sixth among the 14 companies shown. Margins also were up slightly, from 3.5% to 3.6%. That may not seem like much, but on $25 billion of retail sales, one-tenth of a percentage point means $25 million on the bottom line.

The department stores posted a median 12-month return on equity of 14.1%, which was slightly better than 1983's 13.6%. Discount and variety stores, on the other hand, had a very productive 12 months relative to 1983. Their profitability bounced from 12.9% over five years to 14.6% during the most recent 12 months.

At the top of the discount and variety store subgroup, once again, Wal-Mart beats out the competition in virtually every important way. Its 35.6% five-year return bests number two SCOA by 7.4% and number three Ames by 12.1%. Wal-Mart's margins are also the best on the list, while its debt-to-equity ratio is beaten only by firms that have substantially lower overall returns.

Ames Department Stores is a newcomer and one of the smaller companies ranked in this issue. But size didn't hold it back. Ames, a northeastern chain, has succeeded by buying up stores from such bankrupt companies as W.T. Grant and Kings.

The returns for number six entrant, Heck's, require a bit of explanation. While the firm's five-year return on equity is a healthy 15.1%, its 12-month return was a paltry 3.4%, the worst of all the profitable companies on the list. The reason is largely geographic. More than one-third of the chain's 126 stores are based in West Virginia, a state with the highest unemployment rate in the nation. At the same time, Heck's has embarked on an expensive remodeling program, which also penalizes earnings.

The opposite relationship between five-year and 12-month figures exists at F.W. Woolworth. With its Woolco stores closed, Woolworth pushed profitability for the most recent 12 months up to 12.2%, compared with 4% over the five-year period. True, this is down from the chain's 14.1% returns in 1983, but that is primarily the result of the strong dollar. It hurt Woolworth's overseas operations, and, unfortunately, these contribute about 35% of the company's total profits.

One other interesting note about the discount and variety stores: It would appear that consistency seems to breed success. The top four companies on the list—Wal-Mart, SCOA, Ames and Stop & Shop—all had earnings predictability that Forbes measures to be high. But go further down the list to companies that have not had such impressive returns over the last five years, and the earnings predictability measure is either not material—for firms with deficits in recent years—or, at best, average. Only Associated Dry Goods, with a 13.7% return in 1984, breaks that pattern. It sports the only "very high" earnings predictability measure on the list. ■

Retailers—general

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt/ equity ratio**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**predictability**
Discount and variety													
Wal-Mart Stores		1	35.6%	33.3%	0.5	4.1%	1	39.5%	40.9%	2	40.6%	43.0%	high
SCOA Industries	82/ 93	2	28.2	20.5	0.8	3.2	8	10.5	15.3	8	12.6	16.7	high
Ames Dept Stores		3	23.5	23.8	0.4	3.1	4	18.5	58.0	6	20.0	53.5	high
Stop & Shop Cos	42/ 79	4	18.3	19.3	0.8	1.8	11	9.0	19.6	3	28.0	21.6	high
Dayton-Hudson	69/ 63	5	18.2	16.4	0.5	3.5	3	18.8	17.6	10	–0.5	13.0	very low
Heck's	87/ 84	6	15.1	3.4	0.7	2.2	13	6.6	8.3	12	–4.4	–43.8	low
Zayre	73/ 62	7	15.0	18.7	0.5	2.3	5	13.2	22.6	4	23.7	34.3	high
Rose's Stores		8	14.6	18.9	0.1	2.6	7	10.5	17.2	5	20.4	15.5	average
K mart		9	13.9	18.5	0.9	2.6	9	9.8	11.0	9	1.5	31.9	very low
Assoc Dry Goods	35/ 28	10	11.6	13.7	0.5	3.1	2	19.7	13.1	7	15.9	13.8	very high
Household Intl	58/ 16	11	11.4	14.6	2.3	2.6	6	12.4	4.3	11	–2.2	17.1	very low
G C Murphy		12	8.3	12.2	0.4	1.9	14	3.7	8.4	1	87.7	20.9	average
F W Woolworth	72/ 59	13	4.0	12.2	0.4	2.2	15	–3.9	7.5		NM	D-P	NM
Cook United		14	def	def	0.4	def	10	9.5	–27.6		NM	D-D	NM
HRT Industries	78/PD	15	def	def	1.5	def	12	7.8	–3.6		NM	D-D	NM
Medians			**14.6**	**16.4**	**0.5**	**2.6**		**10.5**	**13.1**		**12.6**	**16.9**	
Industry medians			**13.9**	**14.4**	**0.5**	**3.1**		**10.5**	**13.1**		**9.3**	**15.4**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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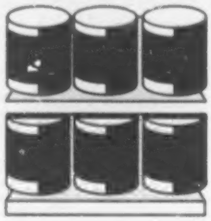
Sources: Media General Financial Services, Inc.; Forbes

RETAILERS—SPECIALTY



The averages make it look as if progress is steady and smooth for these companies. But look closely at the subgroups. Some are doing much better than others.

SPECIALTY RETAILING is on a very steady path. The median five-year return on equity of these 37 companies is 16.1%. The figure for the most recent 12 months is a remarkably similar 16.2%. But such numbers mask considerable change. There are six subgroups in these Yardsticks, and five of them experienced fairly dramatic swings from their five-year averages in 1984.

Catalog showrooms show the most volatility. Median return on equity at these companies dropped from 14.8% over five years to 8.2% last year. The jewelry subgroup had 12-month profitability of only 8.4%, down from a five-year average of 13.5%. Similar gyrations also afflicted apparel retailers. Their return on equity for 1984 was 16.1%, down from a 19.6% return for the five-year period. Companies that sell furniture, appliances and building materials, meanwhile, beat their long-term average by a comfortable margin. The shoe subgroup also improved its historic performance by a few percentage points.

Shoe company figures, however, need some explanation. Genesco is the only one of the four companies represented to post an improvement over its five-year numbers last year. But its returns were so much above average that they pulled the rest of the industry up, too—from 14.9% to 16.6%. To compound the confusion, Genesco's performance also is a bit misleading: While the diversified company is undoubtedly turning around, large losses have left it with little equity. This produces a high profitability measure that is misleading.

Look at the numbers this way, and you will probably conclude that the furniture, appliance and building mate-

Retailers—specialty

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Apparel													
Limited		1	37.3%	43.2%	0.1	6.5%	1	35.9%	17.1%	1	62.4%	38.0%	high
Petrie Stores		2	22.1	16.7	0.2	7.6	7	7.8	28.5	6	–1.3	15.6	low
United States Shoe	50/ 47	3	21.3	16.0	0.1	5.0	5	12.0	16.5	3	20.0	–5.9	very high
Gap Stores		4	20.9	15.7	0.1	4.5	4	13.1	11.7	2	24.4	–13.3	average
Nordstrom		5	18.4	16.2	0.4	5.1	2	21.5	25.5	4	18.7	8.9	very high
Hartmarx	55/ 36	6	12.5	15.2	0.4	3.9	6	10.3	12.7	5	16.7	20.7	very high
Carson Pirie Scott	60/ 66	7	10.6	5.6	0.8	1.8	3	18.3	23.6	7	–5.3	–42.4	low
Manhattan Ind	34/ 20	8	7.3	16.1	0.7	2.7	8	4.7	20.6		NM	51.3	NM
Medians			19.6	16.1	0.3	4.7		12.6	18.9		17.7	12.3	
Catalog showroom													
Service Merchandise		1	21.2%	17.6%	0.6	3.1%	2	21.3%	17.0%	1	12.0%	22.3%	high
Best Products		2	14.8	8.2	0.7	1.8	1	23.8	15.2	2	–4.5	–23.3	average
H J Wilson		3	13.2	4.8	1.1	1.7	3	20.2	8.9	3	–11.0	–5.2	average
Medians			14.8	8.2	0.7	1.8		21.3	15.2		–4.5	–5.2	

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Sources: Media General Financial Services, Inc.; Forbes

rials retailers did the best of the lot last year. No surprise here. There was a thriving housing market in 1984, fueled by lower mortgage rates. It helped these firms considerably. At the head of the pack, as you might expect, are three companies with minimal diversification: Price Co., Payless Cashways and Lowe's Cos.

But—as the earnings predictability measures indicate—these businesses are somewhat cyclical. The award for most consistent high-ranking performance clearly goes to the drugs chains. They enjoy a glittering five-year return on equity of 20.1%.

The steady addition of new markets for many of these chains contributes to their success and stability. These companies also usually have fat earnings growth rates. Interestingly, the firm at the bottom of the list—Sherwin-Williams—just happens to be the most highly diversified. It acquired Gray Drug Stores in 1981 partly to offset the cyclicity of its paint and chemicals businesses.

At the other end of the spectrum were the jewelry companies—all three of which saw returns on equity drop below their five-year averages. Although Gordon and Zale posted better returns than in 1983, none of these companies has been able to hold gains booked during the years of high inflation, when jewelry was purchased as a hedge against rising prices.

The same relationship between jewelry sales and inflation also has hurt the three catalog showroom firms included here. Jewelry is a major part of their business, even though they are diversifying rapidly. Service Merchandise, for example, has subsidiaries that sell building materials and computers. Still, neither it nor Best Products matched five-year profitability levels. ■

Retailers—specialty

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Drugs chains													
American Stores	NA/NA	1	25.0%	26.1%	0.6	1.5%	1	41.3%	15.3%	2	26.8%	28.0%	high
Rite Aid		2	23.8	24.2	0.1	6.1	6	14.5	5.4	3	22.0	33.6	high
Pay Less Drug		3	21.8	20.8	0.6	2.9	2	21.1	8.2	5	17.6	29.8	very high
Revco D S		4	21.4	22.5	0.1	4.2	3	18.0	22.4	6	15.8	15.6	very high
Walgreen		5	21.1	24.3	0.2	3.0	5	14.7	16.3	4	19.4	21.9	very high
Longs Drug Stores		6	19.1	16.9	0.0	3.0	9	12.9	8.7	8	8.1	13.0	high
Jack Eckerd	86/ 99	7	17.3	15.0	0.2	3.3	4	15.6	12.8	9	5.4	18.8	average
Thrifty Corp	NA/NA	8	16.2	20.5	0.8	1.9	10	9.5	9.4	7	13.4	23.9	very high
Pay'n Save	58/ 46	9	14.6	10.5	0.6	2.5	7	14.3	14.3	10	1.2	–13.3	very low
Sherwin-Williams	29/ 4	10	11.8	17.1	0.5	2.8	8	13.0	5.4	1	55.7	24.4	very high
Medians			**20.1**	**20.7**	**0.3**	**2.9**		**14.6**	**11.1**		**16.7**	**22.9**	
Miscellaneous													
Price Co		1	65:7%	41.4%	0.1	2.3%	1	83.8%	80.3%	1	80.9%	86.8%	high
Payless Cashways		2	20.9	16.2	0.4	4.0	2	27.1	11.1	3	19.4	0.0	high
Lowe's Cos		3	16.0	19.6	0.2	3.5	4	10.0	26.7	4	9.3	36.5	low
W R Grace	25/ 12	4	15.4	8.9	0.6	2.6	6	7.0	9.9	6	–0.6	23.5	very low
Levitz Furniture		5	12.9	21.0	0.8	4.3	7	2.6	32.7	5	0.0	100.5	very low
Sherwin-Williams	36/ 21	6	11.8	17.1	0.5	2.8	3	13.0	5.4	2	55.7	24.4	very high
Beneficial Corp	29/ 15	7	4.7	11.7	3.4	6.3	9	–3.9	14.0		NM	44.0	NM
Evans Products	68/ 52	8	def	def	2.0	def	8	0.6	40.2		NM	D-D	NM
Wickes Cos	44/ 28	9	def	NE	NE	0.5	5	9.0	9.0		NM	D-P	NM
Medians			**12.9**	**16.2**	**0.5**	**2.8**		**9.0**	**14.0**		**0.0**	**30.5**	
Jewelry													
Gordon Jewelry		1	14.2%	11.8%	0.2	4.2%	1	10.7%	6.6%	1	–1.3%	32.4%	very low
Kay	27/ 60	2	13.5	7.2	2.3	0.3	2	2.6	40.7		NM	–46.8	NM
Zale		3	10.4	8.4	0.4	3.5	3	1.0	8.0		NM	77.0	NM
Medians			**13.5**	**8.4**	**0.4**	**3.5**		**2.6**	**8.0**		**NM**	**32.4**	
Shoes													
Edison Brothers	52/ 68	1	17.7%	16.1%	0.2	4.8%	3	6.3%	10.0%	2	–3.2%	22.1%	very low
Brown Group	40E/NA	2	17.6	17.1	0.2	4.5	1	8.4	6.1	1	15.4	6.3	very high
Morse Shoe	77/ 72	3	12.1	10.3	0.4	3.7	2	8.0	3.7		NM	44.6	NM
Genesco	43/ 52	4	def	52.4	1.1	2.5	4	–10.6	–5.2		NM	D-P	NM
Medians			**14.9**	**16.6**	**0.3**	**4.1**		**7.2**	**4.9**		**NM**	**22.1**	
Industry medians			**16.1**	**16.2**	**0.4**	**3.2**		**12.5**	**13.4**		**6.8**	**22.0**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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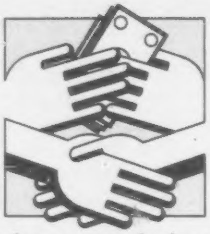
Sources: Media General Financial Services, Inc.; Forbes

SERVICES

Some of the most profitable companies around are in this industry. But read the numbers carefully. The best current performers aren't always at the top of the list.



NEARLY ALL OF THE 38 companies in this group are in growing, healthy sectors of the economy. No smokestacks and creaking machinery here. These firms don't make anything. Instead, they sell qualities like speed and convenience, just the stuff likely to command a premium in today's world.

But when it comes to individual market sectors, the four categories have little in common. What does fast food have to do with data processing? These numbers make the most sense when you consider each subgroup individually.

Look at the fast food chains, and you'll quickly see that Church's Fried Chicken may soon lose its first-place position based on five-year profitability. Indeed, Church's actually lost ground in terms of earnings per share in the last year. That's reflected in the fact that Church's 12-month return on equity drags in nearly at the bottom of the list.

As for the others, Wendy's experienced improvements over last year's profitability, while McDonald's, Jerrico, Denny's and Pillsbury saw returns fall. Add all this together, and industry medians for the 12-month period came in at 16.3%, compared with five-year returns of 20.6%.

The only other number that stands out in fast foods is one that has become an annual tradition on the Forbes Yardsticks: McDonald's margins—this year at 11.4%—tower above every company's in the subgroup. The chain, which claims to have sold its 50 billionth hamburger a few months ago, still has unrivaled operating efficiencies.

In the food distributors subgroup, Allegheny Beverage's

Services

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Fast food chains													
Church's Fried		1	26.2%	14.2%	0.1	6.9%	6	8.2%	16.7%	6	3.3%	–10.0%	low
Wendy's Intl		2	26.1	21.4	0.3	7.7	1	30.4	32.7	3	14.1	26.3	very high
McDonald's		3	22.9	21.5	0.7	11.4	5	12.8	12.4	2	16.7	15.1	very high
Jerrico	89/ 93	4	18.2	12.2	0.4	4.1	3	15.0	8.5	1	20.1	4.8	high
Denny's		5	17.7	15.2	0.9	3.7	4	14.4	10.5	5	8.8	0.7	average
Pillsbury	42/ 50	6	17.6	17.4	0.5	4.1	2	16.4	12.0	4	9.7	17.6	very high
Medians			**20.6**	**16.3**	**0.5**	**5.5**		**14.7**	**12.2**		**11.9**	**10.0**	
Food distributors													
Allegheny Beverage	45/ 28	1	27.1%	17.5%	3.0	2.1%	1	41.7%	23.3%	2	26.3%	–4.0%	very high
Super Valu Stores	84/ 74	2	27.0	26.9	0.5	1.3	7	14.2	16.1	6	14.8	7.5	very high
Marriott	31/ 25	3	21.3	20.5	1.7	3.8	4	19.2	22.5	4	23.0	19.5	very high
Sysco		4	20.7	17.6	0.3	2.0	5	18.9	19.0	5	22.3	13.3	very high
Fleming Cos		5	19.0	17.8	0.6	0.9	6	16.3	15.8	6	14.8	17.0	very high
Saga		6	16.2	23.5	0.5	2.7	8	11.7	16.3	1	38.7	13.3	high
Nash Finch	57/ 62	7	14.2	12.8	0.4	1.0	12	8.3	6.0	10	5.3	1.7	high
Farm House Foods		8	13.9	7.7	2.8	0.2	2	36.3	4.1	15	–27.6	500.0+	low
CFS Continental	87/ 71	9	13.8	16.3	0.6	1.4	10	11.0	17.0	3	23.6	19.3	very high
Wetterau	75E/NA	10	13.4	15.4	0.6	0.8	3	21.2	24.2	12	–3.2	14.1	very low
Super Food Services		11	12.5	15.8	0.9	0.4	9	11.6	5.4	9	10.3	13.4	low

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Sources: Media General Financial Services, Inc.; Forbes

27.1% five-year return on equity gives it a paper-thin victory over Super Valu Stores. In addition, Allegheny's debt-to-equity ratio of 3.0 also places it in the subgroup's top spot—this figure is five times the industry median debt-to-equity ratio of 0.6. This is not to question Allegheny's performance. But lots of debt penalizes return on total capital, and its phenomenal earnings growth of 26.3% may not be sustainable given the firm's considerable leverage.

Super Valu, the nation's largest food wholesaler, has a debt burden slightly below the industry average. Its 12-month return on equity also easily outstrips that of any competitors. Just as Allegheny earned its returns with debt-financed expansion, Super Valu seems to have pulled up its returns by expanding into nonwholesale operations. While Super Valu took in 84% of its sales from wholesaling, it brought in only 74% of earnings from that sector. The remainder came from fast-growing retail operations like its Cub superwarehouse food stores.

The first two pure plays in this industry are Sysco and Fleming Cos. Both have similarly impressive 12-month returns—17.6% and 17.8%, respectively. In addition, both have solid five-year and 12-month earnings growth rates and high grades for predictability. This indicates that their earnings growth has been solid and steady over time.

Next on the list is Saga Corp. Even though this national food-service company posted the sixth-best five-year return on equity of the 17 companies shown here, it had the third-highest 12-month return: 23.5%, up from 22.3% in 1983. A five-year earnings-per-share growth of 38.7% also indicates that Saga has been gaining on the other firms in this group. Note: Back in 1979 Saga barely made a profit. Starting from a small base boosts its long-term average.

Also look at Farm House Foods' unbelievable 12-month earnings growth, which is just that—unbelievable. The firm nearly lost money in 1983, so from a small base almost any gain seems impressive.

In the industrial services category, for once, the number one company is clearly on top for both its five-year and 12-month profitability. ServiceMaster Industries, which manages the cleaning and maintenance of health care facilities, ranks 19th among the 1,000 firms rated in this issue in terms of long-term profitability. Impressively, it managed to top its 40.8% five-year return on equity with a 12-month return of 49.5%. As might be expected, ServiceMaster is being helped by economy moves in the health care industry. When hospitals need to save money, one of their first moves is often to try to cut cleaning bills by bringing in professional management.

Two other pure plays in this sector, PHH and Gelco, do similar things. Both companies manage and lease vehicle

Services

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Rykoff-Sexton		12	12.2%	14.0%	1.5	1.2%	14	7.2%	90.9%	8	11.9%	45.2%	average
ARA Services	51/ 31	13	11.0	11.7	0.5	1.8	11	9.3	11.3	13	–4.7	15.8	low
Pacific Gamble	62/ 82	14	8.7	2.4	0.9	0.4	15	6.1	8.5	15	–13.2	–65.0	very high
Di Giorgio	57/ 34	15	8.3	2.9	1.0	0.8	16	0.9	20.2	14	–9.3	–45.3	high
Allied Supermkts	31/NA	16	def	0.2	0.2	def	17	–3.6	10.0		NM	D-Z	NM
Transworld	18E/ 20		NA	24.8	0.4	3.2	13	8.2‡	8.5	11	2.1‡	129.7	very low
Medians			**13.9**	**15.8**	**0.6**	**1.2**		**11.6**	**16.1**		**10.3**	**13.4**	
Industrial services													
ServiceMaster Inds		1	40.8%	49.5%	0.0	3.7%	5	20.7%	22.1%	3	23.4%	19.8%	very high
Tyco Labs	32/ 9	2	27.6	20.3	0.3	4.6	3	29.8	19.6	7	1.8	68.3	very low
PHH Group		3	24.7	18.6	0.0	6.8	1	32.9	–4.7	4	22.0	4.9	very high
Waste Management		4	23.7	17.2	0.2	11.6	2	30.1	16.9	1	26.7	7.9	very high
Browning-Ferris		5	21.6	22.3	0.3	9.4	6	17.8	18.6	2	23.6	8.3	very high
Natl Service Inds	47/ 61	6	19.9	18.4	0.0	5.9	8	8.6	14.6	5	12.6	11.1	very high
Gelco		7	18.5	6.4	6.7	1.4	4	25.6	–1.0		NM	D-P	NM
Dynalectron	42/ 94	8	16.8	9.6	0.2	1.9	7	1.9	20.6		NM	–8.4	NM
Figgie Intl	43/ 41	9	16.3	11.0	0.6	3.2	9	1.1	7.0	6	11.3	–6.4	high
Rollins		10	8.3††	25.3	0.4	5.9	10	–0.6‡‡	5.2	8	–12.1‡‡	56.1	average
Medians			**20.8**	**18.5**	**0.3**	**5.3**		**19.3**	**15.8**		**12.0**	**8.3**	
Office services													
Kelly Services		1	25.1%	28.3%	0.0	3.3%	2	11.0%	47.1%	2	5.2%	66.7%	low
Auto Data Proc		2	20.6	17.1	0.1	8.4	1	20.7	17.9	1	15.4	14.7	very high
Dennison Mfg	47/ 12	3	15.4	16.2	0.2	5.0	3	9.1	14.0	3	1.9	28.4	very low
Parker Pen	80/ 78	4	13.7	7.5	0.3	1.7	4	3.4	20.8		NM	D-P	NM
Medians			**18.0**	**16.7**	**0.2**	**4.2**		**10.1**	**19.4**		**3.6**	**28.4**	
Industry medians			**18.0**	**17.1**	**0.4**	**3.2**		**12.8**	**16.1**		**10.3**	**13.4**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

185th CONSECUTIVE QUARTERLY DIVIDEND

Peoples Energy Corporation

26½¢ PER COMMON SHARE

Payable January 15, 1985 to Stockholders
of Record December 19, 1984
Declared: December 5, 1984

SUBSIDIARY COMPANIES

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fleets. PHH has a far better profitability, and a key reason is Gelco's high debt/equity ratio of 6.7—unusual in a group where three of the top five firms have no debt. As a result, its already low 12-month return on equity is artificially high, buoyed as it is by borrowed money.

Another firm that may not have truly earned its exalted place on the list is Tyco. To be sure, its numbers are eye-catching; five-year return on equity of 27.6% and a 12-month return on equity of 20.3%. But Tyco brought in only 9% of its profits from service-oriented businesses. It is a successful company. But its successes have really come in selling electronic components, not in running fire protection safety systems.

The other fire protection safety system company, Figgie International, did not do as well. In ninth place, with a five-year return of 16.3%, Figgie's earnings per share over the latest 12 months dropped by 6.4%.

Among the office service companies, the top firm is Kelly Services. It earned its place with exemplary returns in 1984, aided by rapid sales and earnings growth. The company, which brings in its revenues and profits from providing temporary employees, earned a 25.1% return on equity for the last five years and an even more impressive 28.3% return in the most recent 12 months. Although long-term sales and earnings growth have not been supersonic (11% and 5.2%, respectively), these growth figures really took off last year. Kelly's sales increased by 47.1%, while earnings grew at a 66.7% clip.

All this becomes even more startling when you look at Kelly's debt-to-equity ratio. It is the only firm in its particular subgroup to do business without a penny of debt. In fact, it is one of only four service companies in this segment that have avoided borrowing completely. The other three are in industrial services.

The number two company in this subgroup, Automatic Data Processing, is a top supplier in the rapidly growing market for data processing services. Its results show that it is in a high-demand business. ADP turned in a solid 17.1% return on equity over the last 12 months and a 20.6% return over the last five years. It achieved this with a debt-to-equity ratio of 0.1, half the industry median. But where ADP really shines is in its margins. Return on sales is a hefty 8.4%, third place on the list after Waste Management and McDonald's, and better than double the industry median. ■

SUPERMARKETS

How does this industry deal with lackluster growth? Two popular ploys: larger stores with lots of nonfood items and playing tough with labor unions.

THE POPULATION is growing slowly. People are eating out more. And the only way to grow is by taking market share out of someone else's hide. This explains why supermarkets and convenience stores failed to come close to their five-year profitability averages last year.

But it also explains the trends to follow in 1985: aggressive expansion into the Sunbelt, the opening of bigger stores and a tough stance with unions. Labor costs, for example, account for about 70% of a grocer's operating expenses. With profit margins down (they fell from 1.3% in 1983 to 1% last year), stores will be looking for concessions. Kroger and Great Atlantic & Pacific were two of the national chains to win givebacks last year.

Just about all the major supermarket chains have expansion pushes on, and, not surprisingly, their targets are in the Sunbelt, the fastest-growing part of the nation. The

Supermarkets

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Major chains													
American Stores	NA/NA	1	25.0%	26.1%	0.6	1.5%	1	41.3%	15.3%	2	26.8%	28.0%	high
Albertson's		2	23.5	19.6	0.5	1.6	2	13.6	9.3	4	13.3	17.7	very high
Lucky Stores	66/ 52	3	22.3	16.8	0.6	1.3	4	12.1	8.1	8	1.7	–15.8	low
Supermkts General	86/ 75	4	21.6	17.1	0.8	1.2	5	11.3	7.9	3	14.8	3.6	very high
Winn-Dixie Stores		5	21.2	19.5	0.2	1.6	6	10.1	4.3	5	8.6	6.3	very high
Stop & Shop Cos	51/ 17	6	18.3	19.3	0.8	1.8	7	9.0	19.6	1	28.0	21.6	high
Kroger		7	16.1	13.3	0.8	0.8	3	12.9	5.7	7	2.9	1.0	very low
Safeway Stores		8	13.7	13.2	0.9	1.0	8	8.3	5.3	6	3.0	–0.9	low
Great Atl & Pac Tea		9	def	10.1	0.7	0.6	9	–8.3	15.0		NM	44.3	NM
Medians			**21.2**	**17.1**	**0.7**	**1.3**		**11.3**	**8.1**		**8.6**	**6.3**	
Regional chains													
Big Bear	79/ 81	1	46.3%	23.8%	1.1	1.4%	6	12.0%	6.1%	4	25.0%	–0.6%	high
Food Lion		2	32.2	27.6	0.4	2.4	1	31.2	23.9	5	21.4	27.5	very high
Bruno's		3	22.9	26.0	0.2	2.6	2	17.2	21.7	2	30.8	20.4	very high
Big V Supermarkets		4	22.6	5.5	0.4	1.0	5	12.4	0.2	12	8.2	–65.0	average
Cullum Companies		5	21.9	15.8	0.8	1.0	7	11.7	10.6	10	13.7	4.2	high
Weis Markets		6	20.8	19.2	0.0	5.6	10	11.1	11.1	9	14.8	14.2	very high
Giant Food		7	20.5	22.0	0.6	2.1	3	13.1	6.6	6	20.8	12.4	high
Hannaford Bros		8	20.2	17.0	0.7	1.5	12	10.3	10.0	7	19.6	2.0	very high
Ruddick	75/ 31	9	17.8	17.5	0.6	2.0	17	7.0	34.9	11	10.0	12.9	very high
Seaway Food Town		10	15.8	4.5	1.0	0.7	9	11.2	–1.3	14	–0.7	–51.3	very low

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Sources: Media General Financial Services, Inc.; Forbes

stores they are opening will be bigger, too. Five years ago the average supermarket had about 25,000 square feet of floor space. But today the trend is toward super-supermarkets. The average store is almost 33,000 square feet—more than three-quarters of an acre—and growing.

Consider Albertson's. It plans to open about 25 new outlets by year-end, and all but one will be a superstore. These fall into two categories: a combination food-pharmacy or a warehouse, where customers pick the products out of a manufacturer's shipping box and often pay for their own shopping bags. American Stores, Supermarkets General and Safeway all have superstore expansions planned, as well. The idea is to have customers buy everything under one roof and to boost margins. The larger stores carry more nonfood items, which have higher markups than groceries.

Another way the chains are looking to increase their net is by closing unprofitable stores. Safeway, the nation's largest supermarket chain, is typical. It opened about 160 stores last year but closed about 85.

National Convenience Stores ranks first in its subgroup, a new one this year. The Houston-based firm operates more than 1,000 outlets—with names like Shop N Go and Colonial—in 11 southern states. But it places relatively high-priced, fast-moving items, such as fast food and health and beauty aids, up front. Groceries are on the backshelves and account for only 5% of sales. That helps explain why National's margins are higher than the group median.

Southland, the largest convenience store chain with its 7,000 7-Elevens, is having trouble. Its 12-month profitability is well below the five-year average, in part because of the 1983 acquisition of Citgo Petroleum. These operations now account for 18% of sales but just 3% of profits. Circle K, by contrast, posted the most impressive year-to-year gains among the convenience stores. But this time an acquisition helped out. Last year it bought UtoteM, a convenience store chain with 1,000 outlets.

Among regional supermarkets, the best gains tend to come at firms that are moving to increase their nonfood sales. Big V, for example, operates more than 30 Shop-Rite supermarkets, mostly in the mid-Hudson Valley area of New York State. The company moved up a notch, to fourth place, in this year's profitability rankings. Nonfood sales have increased steadily since 1981 and now account for over 10% of total revenues.

Cullum, which operates supermarkets and drugstores in Texas, the Midwest and California, moved from sixth to fifth. The reasons for that gain are typical: The Dallas-based company has been expanding its general merchandise lines and closing smaller, less profitable stores. ■

Supermarkets

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sa[illegible]			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Waldbaum		11	15.3%	11.4%	0.9	0.9%	11	10.9%	8.1%	8	18.0%	–19.4%	high
Marsh Supermarkets		12	14.7	5.2	1.2	0.3	14	8.9	1.8	17	–11.5	–45.5	very low
Nash Finch	42/ 37	13	14.2	12.8	0.4	1.0	16	8.3	6.0	13	5.3	1.7	high
Penn Traffic		14	12.2	9.7	0.7	1.2	15	8.6	12.1	15	–2.4	–20.5	very low
Smart & Final Iris		15	11.4	17.5	0.2	0.3	19	6.0	–16.1	20	–17.1	135.3	low
Godfrey		16	11.1	7.8	0.7	0.3	13	9.5	6.6	19	–14.0	27.9	average
Arden Group		17	9.8	11.4	1.1	0.5	23	1.1	–6.9	1	42.8	100.0	low
First Natl Supermkts		18	9.5	def	2.3	def	22	1.4	5.3		NM	P-D	NM
Pueblo International	85/ 82	19	9.1	10.5	0.9	0.7	8	11.4	9.7	16	–3.5	128.3	Low
Pacific Gamble	35/ 19	20	8.7	2.4	0.9	0.4	18	6.1	8.5	18	–13.2	–65.0	very high
Shopwell	81/ 82	21	8.5	0.9	1.0	0.4	4	12.9	10.1	3	30.0	–88.5	average
Fisher Foods		22	7.1	def	0.5	0.1	26	–20.5	1.6		NM	D-D	NM
Foodarama Supermkts		23	1.7	def	0.6	0.0	21	2.6	0.5		NM	P-D	NM
Borman's		24	def	def	1.2	def	20	4.3	1.8		NM	P-D	NM
Pantry Pride		25	def	9.6	0.3	0.7	25	–17.4	–18.2		NM	5.3	NM
Allied Supermkts	69/NA	26	def	0.2	0.2	def	24	–3.6	10.0		NM	D-Z	NM
Delchamps			NA	18.2	0.4	1.4		NA	9.2		NA	12.5	NA
Medians			13.2	10.5	0.7	0.7		9.2	6.6		–0.7	1.7	
Convenience stores													
Natl Convenience		1	28.9%	24.1%	2.1	2.3%	2	20.5%	28.3%	1	17.6%	22.5%	very high
General Host	70/ 68	2	17.9	9.7	1.4	2.8	5	–2.7	28.0		NM	–27.0	NM
Southland	64/ 85	3	17.4	14.8	1.0	1.5	1	22.5	50.1	2	13.5	–0.9	very high
Circle K		4	16.7	32.2	1.1	2.1	3	16.4	59.6		NM	38.8	NM
Munford	86/ 75	5	14.5	15.4	0.5	1.9	4	8.7	5.0		NM	23.5	NM
Medians			17.4	15.4	1.1	2.1		16.4	28.3		NM	22.5	
Industry medians			15.9	13.3	0.7	1.0		10.2	8.1		3.0	3.6	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

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Sources: Media General Financial Services, Inc.; Forbes

SURFACE TRANSPORTATION

The nation's largest truckers are still in low gear. Sure, they're nearly all posting revenue gains, but heavy discounting is hurting profits. The rate wars have even started to affect the railroads.

THE NATION'S LARGEST TRUCKING GROUP, IU International, is at the top of the profitability Yardstick for truckers. But not because of its performance in 1984. It squeaked in on the strength of its previous five years.

During the past 12 months IU's return on equity was the lowest of the nine truckers on our tables, barely one-third of the industry median. This dismal showing is the result, in part, of simply being big: When IU merged its two long-haul subsidiaries in an effort to gain the efficiencies of a larger system, the consolidation was costly. The firm also shocked Wall Street with an $11.7 million writeoff in the third quarter, the result of an accounting error. All this caused earnings to drop 60% in the latest 12 months.

Otherwise, the economic recovery produced a strong rise in trucking traffic. For every firm except Arkansas Best, 12-month sales growth outpaced average increases during the previous five years. Because of industrywide discounting, those volume increases didn't translate into significantly better profitability. Indeed, for more than half the companies, profitability in the latest 12 months has been lower than their five-year averages.

"It's been a trying year," says William Legg, a trucking analyst at Alex. Brown & Sons. "The combination of aggressive pricing and a successful pricing strategy by shippers forced freight rates down to a point where they were lower than the year before." Legg figures rates were,

Surface transportation

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Railroads													
Chicago & NW		1	24.3%	14.2%	1.2	3.9%	6	4.8%	7.4%		NM	115.0%	NM
American Standard	35/ 23	2	18.4	14.0	0.6	2.9	9	−0.9	50.7	7	−17.1%	30.9	average
Norfolk Southern		3	14.1†	11.4	0.2	11.3	4	5.8	13.6	5	−4.7‡	38.3	low
Union Pacific	43/ 57	4	13.2	7.7	0.5	3.6	1	20.7	−0.6	4	−4.6	−19.0	low
Burlington Northern		5	12.6†	14.0	0.7	9.2	2	11.7	82.8	2	3.9‡	34.4	average
Santa Fe Southern	74/ 28	6	11.5†	8.2	0.3	12.4	7	3.2‡	11.7	3	2.8‡	−38.1	very low
CSX	78/ 71	7	11.1†	10.8	0.5	4.7	3	8.7	55.7	1	6.4	23.7	low
IC Industries	24/ 15	8	7.9	11.0	1.0	2.5	5	5.2	1.7	6	−8.9	152.8	low
GATX	40/DD	9	6.1	def	2.9	def	8	2.9	1.5		NM	P-D	NM
Medians			**12.6**	**11.0**	**0.6**	**3.9**		**5.2**	**11.7**		**−4.7**	**30.9**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see p. 46. *Sources: Media General Financial Services, Inc.; Forbes*

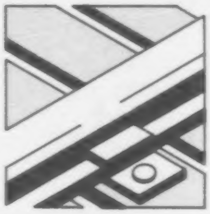
on average, 4% under 1983 levels, even after a 3.5% rise in list prices put through in September.

Since deregulation five years ago, the large publicly owned common carriers have been scrambling for market share. In the latest 12 months Ryder System posted revenue gains of nearly 37%, Yellow Freight enjoyed a 27% rise and Consolidated Freightways saw sales rise 23%.

Longtime profit leader Roadway Services still has no debt, and it now boasts more than $400 million in cash as well. This helped Roadway maintain its high margins of 7.9%, more than double the industry median. In the meantime, as many as 400 carriers, mostly smaller and less efficient operators, have been trampled, driven from the business by the battle among the giants.

The severe competition on the highways is even holding down railroad rates. More than half the lines in this subgroup, including profit leader Chicago & North Western, were unable to beat their five-year return-on-equity averages in the latest 12 months. The exceptions generally have been firms largely dependent on hauling coal, such as Burlington Northern. It was a beneficiary of coal stockpiling by utilities in anticipation of a mine workers' strike that never came.

Despite the pressure on rates, only three of the nine rails in the table reported declines in earnings in the past 12 months. Most managed sizable increases, averaging about 31%. The subgroup's 11.7% median sales gain also was more than double the 5.2% five-year growth average. Growth in rail traffic is already slowing as the economic recovery matures, so profit increases this year may be more modest.



On another front, the U.S. Department of Transportation narrowed its list of prospective bidders for Conrail to 3 from 15: Alleghany Corp., Marriott and Norfolk Southern. If Norfolk Southern succeeds, the merger could have a significant effect on rail competition in eastern markets. CSX, among others, is lobbying Washington in an effort to head off such a combination.

Looming ahead for truckers is the expiration of the International Brotherhood of Teamsters' contract at the end of March. The trucking companies want better work rules and, perhaps, a new hiring policy that would bring in new workers at lower wages. The Teamsters want job security, more money and the elimination of nonunion operations at unionized carriers.

This last item is a particularly sensitive point. Several large companies, including Consolidated Freightways, have created nonunion divisions to help them remain competitive with a raft of independent regional firms. These fledgling carriers typically use nonunion labor and can enjoy cost advantages of up to 40%. That's why they are a major threat to the unions, as well as to their larger competitors. ■

Surface transportation

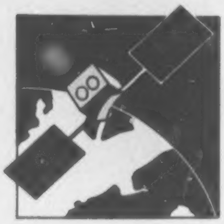
Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Truckers													
IU International	55/ 28	1	21.1%	5.3%	0.7	2.2%	8	–4.3%	16.5%	6	–6.0%	–59.6%	very low
Roadway Services		2	20.9	18.6	0.0	7.9	7	3.9	16.9	1	11.4	6.5	high
Ryder System		3	19.8	20.6	1.3	4.2	2	15.3	36.9	2	6.5	39.3	high
Consol Freightways		4	19.4	13.1	0.1	4.8	9	–4.4	23.0	3	1.4	15.2	very low
Leaseway Trans		5	17.5	12.2	0.9	2.9	3	7.7	13.6	5	–5.0	6.9	low
Yellow Freight		6	11.3	17.7	0.2	4.5	4	6.2	26.6	4	–2.9	19.2	very low
Dorsey	26/ 12	7	10.7	10.1	0.4	2.3	5	4.9	17.5		NM	–25.4	NM
Arkansas Best	78/ 50	8	5.9	17.3	0.9	1.4	1	16.4	9.6		NM	100.8	NM
RLC		9	2.8	16.3	2.3	2.1	6	4.0	22.6	7	–25.4	144.1	high
Medians			**17.5**	**16.3**	**0.7**	**2.9**		**4.9**	**17.5**		**–5.0**	**15.2**	
Other													
BRAE	88/108	1	19.7%	8.8%	2.9	0.9%	1	146.2%	24.2%	1	52.0%	90.3%	very low
McLean Inds		2	15.6	16.7	1.8	3.4	2	12.9	20.0		NM	8.7	NM
Alexander & Baldwin	67/ 67	3	15.0	16.4	0.5	12.3	5	5.8	7.8	2	14.5	31.7	low
Greyhound	42/ 28	4	13.8	8.9	0.3	4.2	7	–10.0	–9.3	3	4.0	–11.8	very low
Transway Intl	80/ 67	5	12.1	13.2	0.4	1.9	6	–2.4	14.9	4	–14.3	151.7	average
Chromalloy Amer	27/DD	6	0.5	def	0.9	def	8	–11.1	2.1		NM	D-D	NM
American President			NA	28.9	0.9	3.5	3	11.5	24.4		NM	500.0+	NM
Sea-Land			NA	8.9	0.7	2.1	4	6.7‡	9.4		NA	NA	NA
Medians			**14.4**	**11.1**	**0.8**	**2.7**		**6.2**	**12.2**		**NM**	**31.7**	
Industry medians			**13.5**	**12.7**	**0.7**	**3.4**		**5.5**	**15.7**		**–5.5**	**23.7**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc., Forbes

TELECOMMUNICATIONS



It is now one year after the AT&T divestiture. But don't think the commotion is over. Nearly all of these companies are struggling to deal with increased competition.

BREAKING UP AT&T was supposed to increase competition. Consumers would benefit from lower prices, based on true cost of service. Telecommunications companies would benefit from the freedom to enter new, fast-growing segments of the market.

That was the theory. But reality has been very different. Consumers aren't sure about whom they now call for telephone service or repairs. They are also confused about how to get the most economical long-distance service.

But while the public is merely bothered by divestiture, many of the companies in this industry seem bewitched and bewildered by the marketplace. Postpartum profitability is disappointing. Of the 16 communications carriers for which five-year return-on-equity figures are available, only 3 managed to do better than their averages during the latest 12 months.

This is a direct result of heightened competition, which has led to increased marketing costs. For the first time consumers have a real choice about whom they want to provide long-distance service. They are also realizing that they can buy their phones outright, instead of renting.

To gain a piece of the changing pie (or in some cases to keep what they have), all the phone companies have launched aggressive, and expensive, advertising and marketing campaigns. Cliff Robertson, the pitchman for

Telecommunications

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Carriers													
MCI		1	125.3%	3.7%	1.5	9.4%	1	82.6%	17.1%		NM	–87.5%	NM
United Telecom		2	18.2	14.0	1.0	8.9	6	11.7	6.0	6	0.6%	10.6	very low
Centel		3	17.9	16.6	1.1	8.9	3	14.7	10.5	1	6.3	7.4	very high
Alltel		4	15.7	14.9	1.4	9.1	4	13.9	10.8	4	4.0	0.7	average
Continental Telecom		5	15.6	15.0	1.3	8.2	2	18.1	8.2	5	3.7	11.6	very high
GTE	88/ 95	6	14.8	16.2	1.3	7.4	12	7.8	11.2	3	4.5	10.0	low
So New England Tel		7	13.1	14.4	0.6	10.2	5	12.5	6.6	2	6.3	4.9	average
U S West		8	12.4†	10.9	0.6	11.5	7	10.5‡	–4.6		NA	NA	NA
Bell Atlantic		9	12.2††	11.1	0.6	11.6	8	10.2‡	–6.2		NA	NA	NA
Pacific Telesis		10	11.1††	11.6	0.9	8.4		NA	–1.6		NA	NA	NA
Western Union		11	3.3	def	1.0	def	10	9.8	8.7		NM	P-D	NM

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Sources: Media General Financial Services, Inc.; Forbes

AT&T Long Distance, seems to be on television more often than Johnny Carson.

MCI provides an excellent example of the current turmoil. In 1981 the company, based in Washington, D.C., had only 1.5% of the long-distance market. It now has about 5%. But growth is becoming harder and more expensive. That's why its solid long-term profitability figure is testimony to past success rather than to current good times. Last year the company dropped monthly fees, lowered prices and introduced volume discounts in an effort to stay competitive. Sales kept growing, but profits were off substantially.

It's not surprising that AT&T has been hurt as well. How much? The effect is impossible to measure because comparisons with historical data make little sense. The giant company is struggling to reduce its work force and to make its manufacturing facilities more efficient. Equally important is the marketing challenge it faces. To benefit from its new freedom, AT&T must develop new products and a sales organization that can confront IBM. Neither is an easy task.

It is also too soon to make many meaningful comparisons among AT&T's offspring. The seven spunoff operating companies have been on their own for only one year, and no data are available to track their historical performance. Still, it is interesting to note that during the first nine months of 1984 these companies matched or exceeded predivestiture estimates.

The AT&T offspring recently won an important legal victory. In December they were granted the right to enter several new fields, if the diversifications aren't funded by customers of their regulated businesses. In terms of their domestic operations, Nynex, Pacific Telesis, Bell Atlantic and BellSouth can now sell, lease and service office equipment. Nynex, Pacific Telesis, U.S. West and Ameritech were also authorized to enter certain foreign ventures, including consulting and data processing.

Despite the bold plans of these new companies, most independent telephone companies failed to match five-year profitability averages during the most recent 12 months. GTE is one of the exceptions. It owns the largest non-Bell-related phone company, it serves nearly 12 million customers, and it registered solid gains in 1984. Much of the gain comes from strong profits at its local operating companies. Sprint, the long-distance service GTE acquired from Southern Pacific, is losing money.

Telecommunications manufacturers have been shaken by divestiture, too. IBM bought Rolm to expand its presence in the market for sophisticated switching gear. But there are two very different stories at ITT and Motorola, old-line equipment companies. ITT's communications earnings are depressed, in part because the company is spending heavily to launch its new System 12 digital switch. At Motorola profit comparisons are impressive.

Much of Motorola's gain stems from the booming demand for cellular radio-telephones. That piece of its business accounted for a 250% increase in operating profits at Motorola's communications division, which provides about one-third of the company's $4 billion in sales. Since Motorola both manufactures and installs cellular phones, it is doubly blessed by the boom in the number of people who want to make calls from their cars while they sit in traffic jams.

M/A-Com, which is enjoying an earnings turnaround, posted fat profit gains as well. The price of cable used to wire home television for pay-channel services stabilized, and the company is a major supplier in this market. Increased demand for wire and cable also helped Anixter Brothers. As a major distributor of these products, it has had a much longer customer list since the breakup of AT&T—and having more prospects nearly always leads to more sales. ■

Telecommunications

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Ameritech			NA	12.5%	0.6	11.8%	11	8.5%‡	–4.4%		NA	NA	NA
Amer Tel & Tel			NA	NA	NA	NA		NA	NA		NA	NA	NA
BellSouth			NA	11.5	0.6	12.8	9	10.1‡‡	–8.4		NA	NA	NA
NYNEX			NA	11.3	0.7	9.7		NA	–3.7		NA	NA	NA
Southwestern Bell			NA	11.3	0.7	11.3		NA	–8.2		NA	NA	NA
Medians			**14.8**	**11.6**	**0.9**	**9.4**		**11.1**	**6.0**		**3.9**	**6.2**	
Manufacturing													
Rolm		1	46.5%	8.1%	0.0	5.7%	1	55.7%	43.2%	1	42.4%	2.1%	very high
Anixter Bros	89/ 66	2	21.9	8.2	0.3	2.5	3	23.0	14.8	2	19.5	13.9	low
M/A-Com	64/ 44	3	19.7	9.8	0.3	4.6	2	51.0	20.6	3	15.7	25.0	average
Motorola	49/ 23	4	15.7	20.3	0.1	5.6	4	13.5	31.1	4	5.6	88.1	average
ITT	27/ 22	5	13.1	7.9	0.5	4.4	5	–1.9	9.0	5	2.4	–26.7	very low
Medians			**19.7**	**8.1**	**0.3**	**4.6**		**23.0**	**20.6**		**15.7**	**13.9**	
Industry medians			**15.7**	**11.3**	**0.6**	**8.9**		**12.5**	**8.2**		**0.6**	**7.4**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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Sources: Media General Financial Services, Inc.; Forbes

TEXTILES

For many textile firms, 1984 was a record year. But the industry's recovery began to unravel in the final quarter. Put the blame on swollen inventories and rising imports.

TEXTILEMAKERS FINISHED one of their best years in a long time, but industry executives aren't euphoric. Instead they are deeply worried about the future. Foreign competition and bulging inventories sent the industry into a tailspin at the end of 1984.

"We've seen a tremendous decline in the last three months," says Harold Kingsmore, chief executive of Avondale Mills. "And, unfortunately, the fourth quarter is carrying over into the new year."

Most textile firms posted such huge gains in the beginning of 1984 that these more than offset the declines in the second half of the year, when business virtually collapsed. At West Point-Pepperell, for instance, earnings in the quarter ended Nov. 24 dropped 55% because of a $4.6 million loss on apparel fabrics. Still, many companies, including profit-leader Collins & Aikman, had record 12-month earnings. Nine of the 11 companies in this sector bested their five-year profitability averages, often doing so by wide margins.

The industry's big gains led to a record $1.72 billion worth of capital spending. That's a 21% increase over 1983, and the goal is to become more competitive. Still, cheap imports flooding into the U.S. from such sources as China and Hong Kong are a nagging worry.

In the middle of last year the Reagan Administration delayed for nearly two months imposing new, tougher import curbs on some products. That allowed an estimated $500 million of foreign goods to come into the country in time for the Christmas selling season. "Every ship in the world was on its way to the U.S. with textile products," says Kingsmore. "These inventories won't get flushed out until the spring of 1985." Not surprisingly, he doesn't think earnings at most companies will be strong next year.

The industry response is political. Right now textilemakers are lobbying Congress and the Administration for protectionist legislation, but they don't expect much success. "They talk about it a lot," says Alfred Crimmins, president of Collins & Aikman, "but I don't see any action forthcoming." ■

Textiles

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Collins & Aikman	85/ 70	1	12.4%	24.5%	0.3	5.2%	2	8.6%	29.8%	2	19.1%	74.4%	average
West Point-Pepperell	41/ 22	1	12.4	13.1	0.2	4.3	4	5.4	10.5	4	9.7	5.9	average
DWG	29/ 9	3	11.1	1.9	2.0	0.5	1	13.2	107.0	1	28.5	–93.4	high
Riegel Textile	86/ 59	4	10.3	10.8	0.4	1.9	3	5.6	4.5	7	–10.6	100.5	low
Celanese	50/ 75	5	9.9	16.4	0.7	3.4	7	3.3	7.4		NM	500.0+	NM
Springs Industries	53/ 64	6	9.5	9.9	0.1	4.1	5	4.8	9.5	3	14.0	28.9	low
Burlington Inds	62/ 65	7	7.5	5.2	0.4	3.0	6	4.1	6.0	5	0.7	–29.7	very low
M Lowenstein	80/NA	8	7.1	16.4	0.3	3.8	10	–2.1	16.7		NM	70.9	NM
Avondale Mills		9	5.5	13.4	0.2	3.5	8	2.4	2.8	6	–4.3	24.3	very low
J P Stevens	84/ 79	10	3.6	3.9	0.5	1.0	9	2.3	11.3		NM	12.8	NM
United Merchants	4CE/NA	11	def	9.6	0.8	2.0	11	–5.2	28.0		NM	D-P	NM
Medians			**9.5**	**10.8**	**0.4**	**3.4**		**4.1**	**10.5**		**–4.3**	**26.6**	
All-industry medians			**15.1**	**13.4**	**0.4**	**3.7**		**10.2**	**11.5**		**–0.6**	**15.8**	

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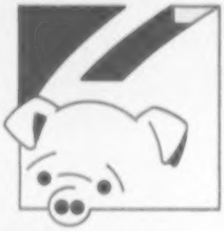
Sources: Media General Financial Services, Inc.; Forbes

THRIFT INSTITUTIONS



Aside from the spectacular disaster at Financial Corp. of America, these firms are doing quite nicely. Adjustable-rate mortgages make up a good portion of the market. So it was damn the rising interest rates, full speed ahead.

IT WASN'T LONG AGO that these companies were the economy's basket cases, written off by critics and in need of emergency aid from regulators. But just when the future looked darkest, thrifts sprang back to life.

The industry is still wobbly, of course. After two years of profitability, median five-year return on equity is a paltry 4.1%. This is a far cry from 1982, when the entire sector ran deeply in the red. A good indication of that trouble is the welter of "not meaningful" designations in the earnings growth column. FORBES doesn't calculate this figure when the period includes negative numbers.

A few years ago S&Ls often paid at least 2% more for funds than their loan portfolios yielded. But now many institutions have switched the majority of their loan portfolios into adjustable-rate mortgages, which help immunize profit margins from interest-rate hikes.

Look at Great Western. Its current 10.4% profitability is nearly triple its five-year average. How come? For one thing, GW now has 50% of its portfolio in variable-rate or short-term loans, up from 25% one year ago. Home Federal, meanwhile, benefited from savvy diversification. Home gets a third of its earnings from a well-run southern California real estate development program.

Bad news continues to dominate the headlines. The biggest story of 1984 was the trouble at Financial Corp. of America, where bigger used to be better. Now the SEC has quashed the firm's questionable accounting practices, forcing it to restate earnings. Even so, FCA still suffers from one of the industry's worst records of bad loans.

FCA also carries mostly fixed-rate loans—fine when interest rates are stable or declining, but a drag on earnings when rates are on the rise. California Federal, another poor performer, suffered from a similar problem. But with smaller loan losses, the pain was less severe.

Statistical anomalies can skew results. Why did H.F. Ahmanson show a 41.6% earnings decline, even though 46% of its loan portfolio is in adjustable-rate obligations? Analyst Jonathan Gray of Sanford C. Bernstein notes that most 1983 profits were nonrecurring items, so comparisons may be misleading. ■

Thrift institutions

Yardsticks of management performance

	Profitability					**Growth**						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
Financial Corp of Amer	1	54.0%	def	0.5	9.4%	1	88.6%	136.1%	1	56.9%	P-D	average
Golden West Financial	2	14.8	33.2%	0.2	8.4	3	28.7	7.9		NM	2.2%	NM
City Federal S & L	3	12.2	39.3	0.0	6.3	2	44.2	42.7		NM	83.4	NM
H F Ahmanson	4	4.7	6.6	0.1	4.9	10	17.1	19.8		NM	–41.6	NM
Great Western Financial	5	3.5	10.4	0.9	3.7	8	21.0	76.7		NM	88.7	NM
Great Amer First Savings	6	3.3†	6.7	0.2	5.7	6	22.8‡	15.9		NA	NA	NA
Gibraltar Finl Corp Cal	7	def	20.0	0.5	5.1	9	17.9	40.2		NM	16.0	NM
Imperial Corp of Amer	8	def	def	1.1	def	11	14.3‡	32.4		NM	D-D	NM
CalFed		NA	9.7	0.2	5.2	4	26.9	30.6		NM	–29.3	NM
Glendale Federal S&L		NA	16.2	0.2	3.7	5	26.1‡	24.5		NM	16.8	NM
Home Federal S&L Cal		NA	9.9	0.3	5.0	7	21.0	23.0		NM	174.7	NM
Medians		4.1	9.9	0.2	5.1		22.8	30.6		NM	9.1	
All-industry medians		15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see p. 46.

Sources: Media General Financial Services, Inc.; Forbes

TOBACCO

Sure, health fears are reducing the number of cigarettes sold, but it is still a very good business. Just ask all the big diversified companies in this industry. Tobacco is their most lucrative venture.

IT WOULD SEEM there is still hardly anything more profitable than manufacturing cigarettes. The big four in the business—R.J. Reynolds, Philip Morris, American Brands and Loews—are all heavily diversified, yet each shows a far higher percentage of profits than sales from its tobacco operations. Loews, for example, brought in 59% of earnings from tobacco on only 28% of its sales.

Of the four, Reynolds seems to have prospered the most relative to 1983. In that year its return on equity was 16.1%, compared with prime competitor Philip Morris' 23.7%. Last year Reynolds picked up nearly three points, to 19%, while PM improved by only one point, to 24.7%. As a partial result, Reynolds vaulted from fourth place to first in this Yardstick.

That position may be somewhat shaky. Unlike some other industries, where there is one big leader and a bunch of followers, in tobacco the top four Yardstick positions are separated by about three percentage points. A change in 12-month returns can alter the rankings.

Despite its move up, Reynolds suffered a substantial decline in sales growth last year, a 5.4% increase as opposed to a 15.2% increase over the last four years. Even though cigarette consumption is declining, these numbers were probably influenced by a surge of purchases to beat the 1983 doubling of the federal excise tax.

The amazing profitability of tobacco companies doesn't end after the top four firms in this list. Take Dibrell Brothers, which processes leaf tobacco. It managed a return on equity last year of 32.5% and carries a debt-to-equity ratio of only 0.2—hardly a laggard performance.

The same holds for two of the other three firms that make up the second half of this list. Standard Commercial Tobacco and Universal Leaf Tobacco are in businesses similar to Dibrell and boast five-year profitability averages of close to 19%, with little debt. Culbro Corp., much more a distributor than a manufacturer, had the lowest 12-month return, 10.4%. But even Culbro did better than in 1983, when its return on equity was a mere 7.2%. ■

Tobacco

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	predictability
R J Reynolds	44/ 71	1	24.6%†	19.0%	0.3	8.1%	1	15.2%‡	5.4%	5	9.4%‡	13.4%	high
Philip Morris	75/ 88	2	23.9	24.7	0.6	9.5	2	13.8	1.1	3	15.9	17.3	very high
American Brands	37/ 57	3	22.2	19.4	0.3	8.8	8	4.8	1.2	6	8.6	6.1	average
Loews	28/ 59	4	21.4	19.2	0.3	7.7	4	7.5	5.6	2	16.5	12.0	high
Std Commercial		5	19.1	14.7	0.3	1.7	3	12.4	0.9	7	8.6	14.7	low
Universal Leaf	67/ 79	6	19.0	19.3	0.1	3.8	7	6.0	5.3	4	12.7	17.9	very high
Culbro	72/ 62	7	16.7	10.4	0.4	1.3	5	7.3	80.8		NM	55.3	NM
Dibrell Brothers		8	16.2	32.5	0.2	3.3	6	6.8	–3.1	1	22.0	81.1	high
Medians			20.3	19.3	0.3	5.7		7.4	3.3		11.1	16.0	
All-industry medians			15.1	13.4	0.4	3.7		10.2	11.5		–0.6	15.8	

DD: Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. **E:** Estimated. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see p. 46. *Sources: Media General Financial Services, Inc.; Forbes*

WHO'S WHERE IN GROWTH?

How the 1,000 top U.S. corporations stack up in sales and earnings growth over the past 5 years and the past 12 months.

BY THE LAWS of nature, let alone economics, dazzling growth is a sometime thing. Historically, sales and earnings increases that put a company near the top of the growth list in the Report on American Industry are just too hot not to cool down.

Take Apple Computer. It has been doubling, tripling or even quadrupling earnings and sales annually ever since it was formed in 1977. Apple was first in earnings growth for 1982, fifth the next year, and, among the 1,000 top U.S. corporations covered in this year's Report on American Industry, it stands first in five-year sales growth and second in earnings growth.

But that isn't the whole story. Look at the latest 12-month figures, where Apple, locked in a head-to-head battle with IBM in personal computers, shows a decrease in annual earnings for the first time in its brief and spectacular history. Other famous growth companies that have long ranked high in the ratings are in the same situation: First Boston, ranked third in five-year growth but down for the year; Nike, the footwear company, sixth on the list in five-year earnings but down sharply for the last 12 months; Federal Express; SEDCO, the offshore driller to be acquired by Schlumberger. Of the top ten companies in earnings growth, in fact, nine fell off from their historical averages in the latest 12 months.

By contrast, look at Toys "R" Us. The toy retailer was 32nd in earnings growth last year and 31st this year, ahead of the five-year base. That's stable growth.

Number one Jefferson Smurfit Corp., a 78%-owned U.S. subsidiary of Jefferson Smurfit Group of Ireland, has grown through acquisition. It has rapidly bought up companies in the U.S. paperboard and packaging industry, notably the $200 million-a-year operations of Diamond International.

Some of the most interesting companies are not at the top of the list at all. They are turnarounds such as Levitz Furniture and A.E. Staley, which had good earnings growth last year after years of stagnation. The publishing conglomerate Harcourt Brace Jovanovich reorganized and relocated to San Diego, Orlando and Cleveland from high-rent Manhattan, sharply slashing its overhead and increasing its earnings.

RCA, meanwhile, bit the bullet on its moneylosing videodisk-player business early in the year and, even after a pretax writedown of $175 million, managed an earnings increase. Its old competitor in TV sets, Zenith Electronics, turned around strongly on increased sales of color TVs and new products in cable and desktop computers. Chrysler Corp.'s turnaround started in 1983, so its five-year average is not meaningful, but Chrysler's earnings in the latest 12 months were up a spectacular 351%.

As for the companies that peaked and started down, was last year a watershed or merely an aberration? It's instructive to compare this year's growth list with that of a decade ago. Not a single company in the top 50 in growth for the year 1974 remains there today. The closest any of them came, in fact, is McDonald's ranking of 133rd this year; ten years ago it was 20th. Others are even further down the list now—Fairchild Industries stood 11th then and is 648th now—or worse: Charter, fifth in 1974, is in bankruptcy.

It's a nice lesson in humility. Getting to the top of the list in growth is hard enough. Staying there is well-nigh impossible. ■

Who's where in growth

Company	Earnings per share rank	Earnings per share 5-year average	Earnings per share latest 12 months	Sales rank	Sales 5-year average	Sales latest 12 months
Jefferson Smurfit	1	139.4%	98.2%	10	56.4%	22.1%
Apple Computer	2	112.5	-18.0	1	154.3	54.2
First Boston	3	98.8	-28.4	17	47.2	26.8
G C Murphy	4	87.7	20.9	770	3.7	8.4
Price Co	5	80.9	86.8	5	83.8	80.3
NIKE	6	69.6	-56.1	8	65.5	6.1
SEDCO	7	63.4	-13.8	596	8.8	-8.9
Limited	8	62.4	38.0	32	35.9	17.1
First Executive	9	61.2	18.3	3	94.9	-1.4
Student Loan Marketing	10	60.1	40.9	7	70.9	37.7
Financial Corp of Amer	11	56.9	P-D	4	88.6	136.1
Zapata	12	55.9	-47.8	929	-3.0	-4.9
Sherwin-Williams	13	55.7	24.4	403	13.0	5.4
BRAE	14	52.0	90.3	2	146.2	24.2
Subaru of America	15	49.0	21.0	161	19.8	8.1
Humana	16	47.0	20.2	123	21.2	11.1
Wang Laboratories	17	44.4	27.2	14	51.6	41.4
Arden Group	18	42.8	100.0	857	1.1	-6.9
Comdisco	19	42.4	-41.0	72	26.8	2.8
Rolm	20	42.4	2.1	11	55.7	43.2
Donaldson,Lufkin & Jen	21	41.8	6.5	97	23.8	23.5
Valero Energy	22	41.1	P-D	574	9.3	13.1
Wal-Mart Stores	23	40.6	43.0	28	39.5	40.9
State Street Boston	24	40.5	-8.6	128	21.1	4.1
Saga	25	38.7	13.3	453	11.7	16.3
Federal Express	26	37.8	-5.0	19	44.9	43.8
VF	27	37.3	7.6	215	17.6	7.3
Brunswick	28	36.9	230.2	894	-0.6	21.6
Citizens & Southern Ga	29	36.3	19.1	243	16.6	17.4
General Cinema	30	34.6	-25.4	560	9.6	3.7
Toys "R"Us	31	34.4	40.5	53	30.2	29.5
Tandy	32	33.5	-4.8	183	18.6	8.2
Natl Medical Enterprises	33	32.4	17.4	13	54.8	15.5
Dillard Dept Stores	34	32.2	36.6	124	21.2	30.6
Texas Oil & Gas	35	31.9	17.0	101	23.1	11.6
Cooper Tire & Rubber	36	31.1	-49.0	405	13.0	19.3
Bruno's	37	30.8	20.4	226	17.2	21.7
Oxford Industries	38	30.3	-10.7	199	18.2	10.2
Shopwell	39	30.0	-88.5	411	12.9	10.1
Global Marine	40	29.7	P-D	40	33.4	-11.3
Hospital Corp of Amer	41	29.1	20.9	26	39.8	6.7
Turner Construction	42	28.8	3.5	312	14.8	-9.9
New York Times	43	28.7	37.0	261	16.1	14.0
DWG	44	28.5	-93.4	391	13.2	107.0
Perini	45	28.4	-42.0	217	17.5	-6.1
Stop & Shop Cos	46	28.0	21.6	584	9.0	19.6
Pulte Home	47	27.3	-51.1	60	28.8	15.1
Trust Co of Georgia	48	27.0	27.8	130	21.0	15.9
American Stores	49	26.8	28.0	24	41.3	15.3
Prime Computer	50	26.8	55.4	25	40.9	25.0
Waste Management	51	26.7	7.9	54	30.1	16.9
Brown-Forman	52	26.4	-23.5	190	18.5	54.0
Allegheny Beverage	53	26.3	-4.0	23	41.7	23.3
Beverly Enterprises	54	25.7	18.2	12	55.3	29.0
First Atlanta	55	25.7	17.7	195	18.3	30.6
Bergen Brunswig	56	25.1	-3.3	79	26.1	20.1
Big Bear	57	25.0	-0.6	444	12.0	6.1
E F Hutton Group	58	24.7	-75.2	46	31.7	16.0
MEI	59	24.5	15.5	88	25.1	19.4
Amer Medical Intl	60	24.5	1.9	42	33.1	11.5
Gap Stores	61	24.4	-13.3	398	13.1	11.7
E-Systems	62	24.3	14.7	134	20.9	0.0
FoxMeyer	63	24.1	5.3	22	42.1	43.5
Zayre	64	23.7%	34.3%	394	13.2%	22.6%
Allied Bancshares	65	23.7	11.2	18	45.4	34.4
CFS Continental	66	23.6	19.3	496	11.0	17.0
Browning-Ferris Inds	67	23.6	8.3	212	17.8	18.6
Merrill Lynch	68	23.5	-95.9	48	31.4	-1.0
ServiceMaster Inds	69	23.4	19.8	139	20.7	22.1
G Heileman Brewing	70	23.0	-8.6	93	24.6	8.0
Marriott	71	23.0	19.5	171	19.2	22.5
Portland General Elec	72	22.8	46.0	301	15.2	20.4
Phibro-Salomon	73	22.5	1.2	99	23.7	0.9
Sysco	74	22.3	13.3	176	18.9	19.0
Standard Oil Ohio	75	22.1	-7.5	211	17.9	1.5
Anheuser-Busch Cos	76	22.0	14.1	140	20.6	11.7
Rite Aid	77	22.0	33.6	327	14.5	5.4
Dibrell Brothers	78	22.0	81.1	668	6.8	-3.1
PHH Group	79	22.0	4.9	43	32.9	-4.7
Todd Shipyards	80	21.7	12.4	467	11.5	-12.3
Food Lion	81	21.4	27.5	49	31.2	23.9
Warnaco	82	21.3	-1.5	755	4.1	11.9
R H Macy	83	21.1	6.4	378	13.5	15.2
Murphy Oil	84	21.0	-32.3	263	16.1	-15.2
Bindley Western Ind	85	20.9	8.5	146	20.3	14.7
Giant Food	86	20.8	12.4	399	13.1	6.6
Eastern Gas & Fuel	87	20.7	51.0	385	13.4	8.7
Dean Foods	88	20.7	23.5	324	14.6	11.5
Hewlett-Packard	89	20.6	53.3	115	21.9	28.3
EG&G	90	20.4	20.8	290	15.4	19.0
Rose's Stores	91	20.4	15.5	512	10.5	17.2
Jerrico	92	20.1	4.8	307	15.0	8.5
Ames Department Stores	93	20.0	53.5	189	18.5	58.0
United States Shoe	94	20.0	-5.9	441	12.0	16.5
Texas Commerce Bancshrs	95	20.0	2.6	67	27.4	19.8
Outboard Marine	96	20.0	33.6	816	2.5	16.9
Morton Thiokol	97	19.8	23.6	367	13.7	13.3
Dow Jones	98	19.7	22.6	177	18.8	13.5
Advanced Micro Devices	99	19.6	276.7	77	26.2	97.0
Hannaford Bros	100	19.6	2.0	519	10.3	10.0
Anixter Bros	101	19.5	13.9	103	23.0	14.8
Republic New York	102	19.5	-0.5	37	34.6	4.6
Payless Cashways	103	19.4	0.0	68	27.1	11.1
Walgreen	104	19.4	21.9	316	14.7	16.3
Deluxe Check Printers	105	19.2	17.9	318	14.7	9.4
Bankers Trust New York	106	19.1	17.2	247	16.5	17.2
Collins & Aikman	107	19.1	74.4	602	8.6	29.8
Schlumberger Limited	108	19.0	0.8	235	16.9	4.3
James River Corp of Va	109	18.8	13.6	16	50.5	27.8
Nordstrom	110	18.7	8.9	120	21.5	25.5
Seagram	111	18.3	52.1	803	2.8	3.5
Dun & Bradstreet	112	18.1	144.6	315	14.8	15.3
Marine Midland Banks	112	18.1	-0.6	213	17.7	18.8
Fischbach	114	18.1	-52.6	273	15.7	-19.9
American Greetings	115	18.0	30.6	200	18.2	13.7
Waldbaum	115	18.0	-19.4	501	10.9	8.1
Midlantic Banks	117	17.9	0.0	92	24.7	42.3
G/D Searle	118	17.9	1.0	819	2.5	0.9
Wyman-Gordon	119	17.8	2.8	830	2.1	5.1
Abbott Laboratories	120	17.8	18.5	299	15.2	7.4
Purolator Courier	121	17.7	-39.6	364	13.8	14.0
Barnett Banks of Fla	122	17.7	18.0	47	31.6	34.3
Pay Less Drug Stores NW	123	17.6	29.8	129	21.1	8.2
Natl Convenience Stores	124	17.6	22.5	143	20.5	28.3
Meredith	125	17.6	4.1	528	10.2	3.8
SONAT	126	17.3	-1.5	113	21.9	0.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

	Earnings per share			Sales				Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Baxter Travenol Labs	127	17.2%	−15.2%	421	12.6%	0.2%	**Thrifty Corp**	190	13.4%	23.9%	564	9.5%	9.4%
Amer International Grp	128	17.1	−14.4	302	15.2	7.9	**Albertson's**	191	13.3	17.7	372	13.6	9.3
H J Heinz	129	17.1	15.8	419	12.7	7.0	**Dover**	192	13.3	33.3	317	14.7	19.5
Capital Cities Commun	130	17.0	25.0	259	16.2	22.4	**General Mills**	193	13.2	−10.6	450	11.7	1.1
Fleet Financial Group	131	17.0	10.4	192	18.4	30.0	**Blount**	194	13.2	32.1	368	13.7	9.2
Mercantile Stores	132	16.8	13.3	461	11.6	10.6	**General Re**	195	13.2	−39.3	275	15.7	10.5
McDonald's	133	16.7	15.1	414	12.8	12.4	**Melville**	196	13.0	19.2	216	17.5	17.8
Hartmarx	134	16.7	20.7	520	10.3	12.7	**Bank of New York**	197	13.0	10.2	104	22.8	11.9
Hershey Foods	135	16.7	11.7	295	15.3	10.4	**Pioneer Hi-Bred Intl**	198	13.0	58.4	340	14.3	41.7
Loews	136	16.5	12.0	645	7.5	5.6	**Strawbridge & Clothier**	198	13.0	24.1	555	9.8	14.7
Sovran Financial	137	16.5	5.8	223	17.3	9.6	**Banc One**	200	12.9	18.1	39	33.6	41.0
Primark	138	16.1	216.5	353	14.0	21.3	**Consolidated Foods**	201	12.9	13.3	453	11.7	−0.2
Transco Energy	139	16.1	16.8	43	32.9	−4.5	**Nabisco Brands**	202	12.9	8.4	705	5.6	6.8
Guardian Industries	140	16.0	7.3	219	17.4	13.4	**Wisconsin Power & Light**	203	12.8	−0.8	423	12.5	8.8
Philip Morris	141	15.9	17.3	363	13.8	1.1	**Rohm & Haas**	204	12.8	31.7	641	7.5	10.7
Associated Dry Goods	142	15.9	13.8	164	19.7	13.1	**United Illuminating**	205	12.8	−2.7	267	16.0	16.8
Bank of Boston	143	15.8	−16.3	188	18.5	16.5	**Universal Leaf Tobacco**	206	12.7	17.9	694	6.0	5.3
Revco D S	144	15.8	15.6	205	18.0	22.4	**SCOA Industries**	207	12.6	16.7	513	10.5	15.3
M/A-Com	145	15.7	25.0	15	51.0	20.6	**Natl Service Industries**	208	12.6	11.1	603	8.6	14.6
SmithKline Beckman	146	15.7	4.8	106	22.8	0.4	**American Home Products**	209	12.6	11.6	548	9.9	12.7
PNC Financial	147	15.5	9.8	125	21.2	14.6	**Southern Company**	210	12.6	28.2	350	14.0	13.9
Cox Communications	148	15.5	19.7	107	22.5	21.3	**Unocal**	211	12.5	7.5	491	11.1	6.8
McCormick	149	15.5	104.9	346	14.2	4.1	**Sun Banks**	212	12.5	8.9	64	27.8	60.3
Brown Group	150	15.4	6.3	610	8.4	6.1	**RepublicBank**	213	12.4	−25.4	95	24.1	21.1
Auto Data Processing	151	15.4	14.7	137	20.7	17.9	**Atlantic Richfield**	214	12.2	−55.6	266	16.0	0.8
Consolidated Edison	152	15.3	11.1	366	13.7	5.0	**Northeast Utilities**	215	12.1	23.8	208	17.9	12.4
Berkshire Hathaway	153	15.1	21.6	804	2.8	21.0	**Wisconsin Elec Power**	216	12.0	16.1	365	13.8	5.9
First Natl State Bancorp	154	15.1	41.3	109	22.3	9.2	**Rockwell International**	217	12.0	29.0	666	6.9	15.1
Fort Howard Paper	155	15.1	11.5	149	20.1	104.6	**Williams Cos**	218	12.0	500.0+	745	4.5	228.1
Shawmut	156	15.1	38.7	96	24.0	12.1	**Service Merchandise**	219	12.0	22.3	122	21.3	17.0
Wachovia	157	15.1	22.8	142	20.6	13.8	**Avery International**	220	12.0	41.7	551	9.8	19.5
United Virginia Bankshrs	158	14.9	6.9	224	17.2	16.3	**Digital Equipment**	221	12.0	85.4	81	25.8	36.4
Mitchell Energy & Dev	159	14.9	−18.6	62	28.5	−5.1	**Ball Corp**	222	12.0	16.8	383	13.4	15.6
Fleming Cos	160	14.8	17.0	254	16.3	15.8	**Rykoff-Sexton**	223	11.9	45.2	651	7.2	90.9
Super Valu Stores	160	14.8	7.5	343	14.2	16.1	**First Union**	224	11.8	15.7	84	25.4	22.7
Supermarkets General	162	14.8	3.6	477	11.3	7.9	**BayBanks**	225	11.8	3.2	187	18.6	20.4
Weis Markets	163	14.8	14.2	486	11.1	11.1	**Mellon Bank**	226	11.7	−13.2	76	26.4	25.3
Chemical New York	164	14.7	9.5	244	16.6	15.4	**Pioneer**	227	11.7	95.7	350	14.0	−5.2
Phillips-Van Heusen	164	14.7	27.1	623	8.1	14.9	**J C Penney**	228	11.6	15.3	838	1.8	12.9
Grumman	166	14.7	52.8	572	9.3	15.2	**Cluett, Peabody**	229	11.5	19.9	613	8.3	4.6
ConAgra	167	14.6	0.7	33	35.6	64.4	**Gannett**	229	11.5	12.9	214	17.6	12.8
Alexander & Baldwin	168	14.5	31.7	700	5.8	7.8	**Shaklee**	231	11.4	−62.7	343	14.2	−14.8
Media General	168	14.5	8.8	285	15.5	9.7	**Roadway Services**	232	11.4	6.5	763	3.9	16.9
A H Robins	170	14.3	−41.4	586	8.9	11.3	**NCNB**	233	11.3	8.2	83	25.4	30.9
CBT	171	14.2	0.6	111	22.2	32.7	**First Wisconsin**	234	11.3	−7.6	533	10.1	9.8
Archer Daniels Midland	172	14.2	−7.0	195	18.3	4.3	**Figgie Intl Holdings**	235	11.3	−6.4	855	1.1	7.0
R R Donnelley & Sons	173	14.2	16.0	335	14.3	15.7	**Pfizer**	236	11.3	15.7	577	9.2	7.1
Kansas City Power & Lt	174	14.1	17.7	484	11.2	8.0	**New England Elec System**	237	11.2	6.4	442	12.0	10.7
Bristol-Myers	175	14.1	15.9	556	9.8	7.4	**Bank of New England**	238	11.2	4.8	41	33.4	27.2
Wendy's International	176	14.1	26.3	52	30.4	32.7	**Norstar Bancorp**	239	11.1	1.5	58	29.6	51.0
Amer Hospital Supply	177	14.1	3.3	360	13.9	4.9	**Kellogg**	240	11.1	1.6	644	7.5	7.2
Springs Industries	178	14.0	28.9	734	4.8	9.5	**Rohr Industries**	240	11.1	33.7	390	13.3	7.9
CoreStates Financial	179	14.0	9.4	346	14.2	27.6	**Curtice-Burns**	242	11.0	19.6	312	14.8	23.0
San Diego Gas & Elec	180	14.0	12.1	127	21.1	5.4	**IBM**	243	11.0	21.2	359	13.9	15.6
Sanders Associates	181	13.9	10.3	38	33.9	29.1	**Chesebrough-Pond's**	244	11.0	−5.1	469	11.5	9.9
MCorp	182	13.9	−14.3	45	32.7	23.1	**Carnation**	245	11.0	8.6	704	5.6	2.7
Allegheny Power System	183	13.8	4.6	267	16.0	−1.6	**Northern States Power**	246	10.9	7.7	437	12.3	6.9
McGraw-Hill	184	13.8	13.9	487	11.1	7.9	**Oklahoma Gas & Electric**	247	10.9	−1.5	378	13.5	8.1
Cullum Companies	185	13.7	4.2	455	11.7	10.6	**Equifax**	248	10.9	7.3	592	8.8	4.5
Shell Oil	186	13.5	14.2	443	12.0	4.9	**Houston Natural Gas**	249	10.9	−8.8	270	15.9	−8.3
Questar	187	13.5	−5.1	286	15.4	24.4	**Texas Utilities**	250	10.8	14.1	186	18.6	15.4
Southland	187	13.5	−0.9	108	22.5	50.1	**Ohio Edison**	251	10.8	23.7	430	12.4	8.1
Flowers Industries	189	13.4	12.9	416	12.7	14.6	**Maryland National**	252	10.8	16.8	245	16.5	28.4

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Ralston Purina	253	10.8%	3.9%	877	0.4%	2.2%
H H Robertson	254	10.7	–30.7	624	8.1	3.1
Dayton Power & Light	255	10.7	–16.8	388	13.3	9.5
So California Edison	255	10.7	3.9	305	15.0	9.4
Procter & Gamble	257	10.6	–4.9	587	8.9	5.0
Engelhard	258	10.6	–30.3	611	8.3	5.1
Universal Foods	258	10.6	–41.2	340	14.3	11.2
Kaman	260	10.5	39.8	467	11.5	19.6
Citicorp	261	10.5	–6.8	206	18.0	15.9
Security Pacific	262	10.5	6.1	135	20.8	16.5
Capital Holding	263	10.4	5.8	55	29.9	14.3
Amer District Telegraph	264	10.4	–52.6	447	11.8	4.1
Montana Power	264	10.4	–36.3	522	10.3	3.9
J P Morgan	266	10.4	7.7	145	20.3	4.1
Clorox	267	10.3	3.1	869	0.7	7.9
Torchmark	267	10.3	26.9	71	26.9	14.4
Kansas Power & Light	269	10.3	22.8	169	19.3	151.1
Whirlpool	270	10.3	11.2	760	3.9	23.1
Super Food Services	271	10.3	13.4	465	11.6	5.4
Johnson & Johnson	272	10.3	–5.7	481	11.2	2.8
Consol Natural Gas	273	10.2	16.9	249	16.4	10.0
Intl Multifoods	273	10.2	–27.6	795	3.1	3.6
Rochester Gas & Elec	275	10.2	14.6	258	16.2	7.3
Gerber Products	276	10.1	14.8	581	9.1	10.5
Washington Gas Light	277	10.1	20.0	174	19.0	11.8
Standard Oil Indiana	278	10.1	21.0	378	13.5	–0.4
Iowa-Illinois Gas & El	279	10.1	–10.9	418	12.7	16.2
General Electric	280	10.0	12.2	687	6.2	2.1
Freeport-McMoran	281	10.0	67.1	165	19.6	6.4
Ruddick	282	10.0	12.9	659	7.0	34.9
Control Data	283	10.0	–68.6	517	10.4	10.9
Pillsbury	284	9.7	17.6	253	16.4	12.0
West Point-Pepperell	285	9.7	5.9	712	5.4	10.5
Amer Natural Resources	286	9.6	10.0	298	15.3	8.8
PacifiCorp	287	9.6	10.5	114	21.9	11.8
Chase Manhattan	288	9.5	–14.1	279	15.6	10.1
R J Reynolds Industries	289	9.4	13.4	302	15.2	5.4
Morrison-Knudsen	290	9.4	7.5	156	19.9	–5.8
Lowe's Companies	291	9.3	36.5	541	10.0	26.7
May Department Stores	292	9.3	21.3	567	9.5	14.8
Washington Post	293	9.3	29.5	494	11.0	12.6
Farmers Group	294	9.2	14.6	300	15.2	14.8
Potomac Electric Power	294	9.2	20.9	474	11.4	1.5
Exxon	296	9.2	22.9	642	7.5	7.1
Brooklyn Union Gas	297	9.1	2.9	166	19.6	10.4
Borden	298	9.1	11.7	856	1.1	9.8
Pacific Lighting	298	9.1	–33.5	112	21.9	0.8
Eli Lilly	300	9.0	13.5	523	10.3	2.8
Ametek	301	9.0	35.2	698	5.9	17.7
McDonnell Douglas	302	8.9	23.7	357	13.9	14.1
Niagara Mohawk Power	302	8.9	9.1	271	15.8	7.2
Emerson Electric	304	8.9	15.4	544	10.0	20.2
Teledyne	305	8.8	28.9	771	3.7	19.5
Federated Dept Stores	306	8.8	–2.5	541	10.0	10.3
Southwestern Public Svc	307	8.8	8.9	283	15.5	11.1
Denny's	308	8.8	0.7	328	14.4	10.5
Harvey Hubbell	309	8.7	31.9	594	8.8	10.1
Masco	310	8.7	22.2	504	10.8	6.9
Hanover Insurance Cos	311	8.7	–45.9	558	9.7	10.4
Commonwealth Energy	312	8.7	24.1	373	13.6	12.3
Genuine Parts	312	8.7	13.2	422	12.6	11.7
National Fuel Gas	314	8.7	69.4	333	14.3	9.2
American Brands	315	8.6	6.1	734	4.8	1.2

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Cleveland Electric	315	8.6%	14.6%	497	10.9%	–0.8%
Federal Paper Board	315	8.6	424.1	618	8.2	14.8
Holiday Inns	318	8.6	8.6	667	6.8	12.9
Winn-Dixie Stores	319	8.6	6.3	535	10.1	4.3
Std Commercial Tobacco	320	8.6	14.7	432	12.4	0.9
Kentucky Utilities	321	8.4	13.5	464	11.6	6.9
GEICO	322	8.4	18.4	717	5.2	11.9
Irving Bank	323	8.3	9.2	220	17.4	10.6
Nalco Chemical	324	8.3	23.7	697	6.0	8.1
Big V Supermarkets	325	8.2	–65.0	428	12.4	0.2
Longs Drug Stores	326	8.1	13.0	408	12.9	8.7
Public Service Indiana	327	8.1	–50.8	548	9.9	6.6
Mercantile Bancorp	328	8.1	7.5	322	14.6	7.9
Central Illinois Light	329	8.0	–5.4	523	10.3	3.5
Westinghouse Electric	330	8.0	25.4	620	8.2	4.5
Knight-Ridder Newspapers	331	8.0	19.1	502	10.9	13.8
Manufacturers Hanover	331	8.0	–14.2	109	22.3	17.3
Gillette	333	8.0	10.3	739	4.6	3.2
Commonwealth Edison	334	7.9	–3.2	354	14.0	8.4
IPALCO Enterprises	334	7.9	2.2	680	6.4	8.2
AMP	336	7.9	44.4	458	11.7	29.9
Raytheon	337	7.7	–23.6	395	13.1	12.2
Sonoco Products	338	7.6	33.9	420	12.6	12.6
Wisconsin Public Service	339	7.5	9.9	350	14.0	5.8
Kellwood	340	7.5	9.3	792	3.1	8.2
Worthington Industries	341	7.5	43.7	179	18.8	36.3
Texas American Bancshrs	342	7.5	–2.7	79	26.1	16.4
Reading & Bates	343	7.4	–88.8	130	21.0	–16.6
Entex	344	7.3	0.7	227	17.1	9.9
Baltimore Gas & Elec	345	7.3	23.8	424	12.5	8.1
Raychem	346	7.3	–4.5	182	18.7	8.1
Colgate-Palmolive	347	7.2	–2.1	815	2.6	1.4
Pacific Gas & Electric	348	7.1	8.1	319	14.7	8.3
McDermott International	349	7.1	–58.2	843	1.7	–7.0
Sterling Drug	350	6.8	6.9	648	7.3	0.0
Merck	351	6.8	8.6	547	9.9	8.5
Ryder System	352	6.5	39.3	293	15.3	36.9
Quaker State Oil	353	6.5	–11.4	471	11.5	2.4
Campbell Soup	354	6.5	15.8	520	10.3	11.1
Marsh & McLennan Cos	354	6.5	–32.1	238	16.8	12.2
Rorer Group	354	6.5	7.2	264	16.1	16.9
CSX	357	6.4	23.7	598	8.7	55.7
Duquesne Light	358	6.4	15.3	663	7.0	10.6
Central & South West	359	6.4	18.1	277	15.7	7.2
Centel	360	6.3	7.4	320	14.7	10.5
So New England Tel	361	6.3	4.9	424	12.5	6.6
Philadelphia Electric	362	6.2	5.7	356	13.9	12.0
Allied Stores	363	6.2	7.3	426	12.5	9.9
American General	364	6.2	–5.2	239	16.8	33.5
Coca-Cola	364	6.2	14.5	592	8.8	5.8
Piedmont Aviation	366	6.2	190.6	59	29.1	42.6
Utah Power & Light	367	6.1	–9.9	311	14.8	12.5
Arkla	368	6.1	–23.1	150	20.0	3.4
Duke Power	368	6.1	8.0	430	12.4	10.8
United Technologies	370	6.0	27.1	222	17.3	10.7
Public Service Colorado	371	5.9	20.2	206	18.0	4.7
First Chicago	372	5.9	–70.1	286	15.4	14.9
Illinois Power	373	5.8	12.1	370	13.7	1.5
Orange & Rockland Utils	373	5.8	8.4	314	14.8	5.0
Union Electric	373	5.8	2.6	589	8.9	4.7
Provident Life & Acc	376	5.8	30.9	710	5.4	22.6
Southeast Banking	377	5.8	4.1	119	21.6	18.3
Emhart	378	5.7	16.3	759	3.9	9.1

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

	Earnings per share			Sales				Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Central Hudson Gas & El	379	5.7%	13.9%	178	18.8%	8.8%	Church's Fried Chicken	442	3.3%	−10.0%	620	8.2%	16.7%
Central Illinois Pub Sv	380	5.6	−13.2	499	10.9	−2.6	Tyson Foods	442	3.3	64.1	234	16.9	24.3
First Bank System	381	5.6	−8.4	137	20.7	20.2	Intl Flavors & Frag	444	3.3	3.3	753	4.2	2.6
Motorola	382	5.6	88.1	381	13.5	31.1	Monsanto	445	3.3	43.2	772	3.7	11.0
Gulf States Utilities	383	5.5	−3.3	304	15.1	7.8	Florida Progress	446	3.2	4.2	401	13.0	1.9
Hilton Hotels	384	5.4	−11.6	652	7.2	0.8	PPG Industries	447	3.2	47.1	730	4.9	16.4
Jack Eckerd	385	5.4	18.8	279	15.6	12.8	Johnson Controls	448	3.2	12.9	329	14.4	7.7
Delmarva Power & Light	386	5.4	11.2	435	12.3	7.9	Wm Wrigley Jr	449	3.1	9.5	708	5.4	2.0
Borg-Warner	387	5.4	16.9	637	7.8	14.6	North American Philips	450	3.1	38.9	480	11.3	19.0
Nash Finch	388	5.3	1.7	615	8.3	6.0	Dexter	451	3.1	1.7	646	7.4	15.1
Amer National Insurance	389	5.3	0.3	728	4.9	−1.3	Honeywell	451	3.1	28.0	548	9.9	5.4
Kelly Services	390	5.2	66.7	492	11.0	47.1	Safeway Stores	453	3.0	−0.9	611	8.3	5.3
Toledo Edison	391	5.2	6.2	600	8.7	5.8	Long Island Lighting	454	3.0	7.5	289	15.4	12.5
ENSERCH	392	5.2	−30.5	236	16.9	−0.8	Detroit Edison	455	3.0	3.7	432	7.9	8.3
Perkin-Elmer	393	5.2	52.7	412	12.8	18.2	Huntington Bancshares	456	3.0	43.6	87	25.2	14.7
Avnet	394	5.0	53.4	692	6.1	37.5	Magic Chef	456	3.0	77.7	221	17.4	37.2
NY State Electric & Gas	395	5.0	16.4	361	-13.9	11.8	Arizona Public Service	458	3.0	3.2	325	14.6	9.3
DeSoto	396	4.9	18.5	872	0.7	14.0	Chevron	459	3.0	−6.8	764	3.9	−2.8
Atlantic City Electric	397	4.9	−1.2	269	15.9	9.1	Kroger	460	2.9	1.0	408	12.9	5.7
Air Products & Chems	398	4.8	31.1	576	9.2	6.7	KN Energy	461	2.9	−13.8	497	10.9	−1.0
Illinois Tool Works	399	4.8	15.5	668	6.8	21.2	Goodyear Tire & Rubber	462	2.8	57.6	743	4.5	20.1
Maytag	400	4.7	16.5	479	11.3	9.7	American Petrofina	463	2.8	9.0	436	12.3	0.5
Times Mirror	401	4.7	34.4	463	11.6	14.5	NBD Bancorp	464	2.8	11.3	282	15.5	12.2
Columbia Gas System	402	4.7	15.6	225	17.2	1.7	Santa Fe Southern	464	2.8	−38.1	786	3.2	11.7
Cabot	403	4.7	51.0	274	15.7	12.5	Florida Power & Light	466	2.7	−8.1	281	15.6	20.1
Panhandle Eastern	404	4.6	7.7	159	19.8	0.1	Puget Sound Power & Lt	467	2.7	−9.6	272	15.8	27.4
Pitney Bowes	405	4.6	65.7	256	16.3	7.0	Cincinnati Gas & Elec	468	2.7	−16.1	407	12.9	6.7
Louisville Gas & Elec	406	4.5	20.6	322	14.6	7.6	Public Service E&G	469	2.7	16.3	374	13.6	6.7
North American Coal	407	4.5	80.8	535	10.1	12.8	Roper Corp	470	2.6	53.8	844	1.7	18.8
GTE	408	4.5	10.0	634	7.8	11.2	Laclede Gas	471	2.6	75.0	377	13.5	4.9
TECO Energy	408	4.5	15.5	469	11.5	8.5	PepsiCo	472	2.6	19.8	389	13.3	17.9
American Express	410	4.4	−44.3	163	19.7	25.6	Olin	473	2.6	60.2	776	3.5	10.2
Life Investors	411	4.4	15.9	100	23.5	14.1	Ethyl	474	2.5	31.3	806	2.8	3.8
USAir Group	411	4.4	79.6	148	20.1	17.0	So Carolina Elec & Gas	475	2.5	26.1	284	15.5	14.1
General Foods	413	4.3	21.0	517	10.4	4.3	FMC	476	2.5	46.1	795	3.1	4.9
Alco Standard	414	4.2	5.6	403	13.0	23.6	ITT	477	2.4	−26.7	915	−1.9	9.0
MidCon	414	4.2	18.2	162	19.7	25.3	MCA	478	2.4	−37.8	652	7.2	−4.9
CBI Industries	416	4.2	−25.7	348	14.1	−26.9	Snap-On Tools	479	2.3	51.1	650	7.3	18.1
Dart & Kraft	417	4.1	8.7	722	5.1	1.5	General Instrument	480	2.3	−53.9	506	10.8	9.6
InterNorth	418	4.1	63.8	144	20.4	36.4	Kerr-McGee	481	2.3	−32.7	475	11.4	−1.0
First Interstate Bancorp	419	4.1	7.3	209	17.9	12.6	Boston Edison	482	2.2	17.0	414	12.8	23.7
Tesoro Petroleum	419	4.1	−80.7	460	11.7	10.8	Kidde	483	2.2	−5.5	799	2.9	12.8
Greyhound	421	4.0	−11.8	978	−10.0	−9.3	U S Bancorp	484	2.2	14.1	278	15.6	12.8
W W Grainger	422	4.0	35.4	673	6.7	22.9	Jefferson-Pilot	485	2.1	36.9	679	6.4	3.9
Diversified Energies	423	4.0	60.6	157	19.8	11.3	Transworld	486	2.1	129.7	617	8.2	8.5
Alltel	424	4.0	0.7	355	13.9	10.8	General Signal	487	2.0	26.5	614	8.3	16.4
Squibb	425	3.9	11.6	792	3.1	5.2	Foster Wheeler	488	2.0	−33.1	876	0.5	−13.7
Centex	426	3.9	1.2	760	3.9	17.1	Minn Mining & Mfg	489	2.0	12.1	626	8.1	10.8
Texaco	426	3.9	−11.8	655	7.1	−4.0	Dennison Manufacturing	490	1.9	28.4	578	9.1	14.0
Martin Marietta	428	3.9	P-D	203	18.1	34.8	Richardson-Vicks	490	1.9	46.0	543	10.0	9.2
Burlington Northern	429	3.9	34.4	450	11.7	82.8	Adolph Coors	492	1.9	−39.7	507	10.7	5.6
Sears, Roebuck	430	3.8	18.0	639	7.7	12.8	Scott & Fetzer	493	1.8	32.0	804	2.8	11.9
Old Republic Intl	431	3.8	6.7	608	8.5	49.0	Stanadyne	494	1.8	105.1	887	−0.3	36.2
Business Men's Assur Co	432	3.7	−1.0	681	6.4	23.0	Tyco Laboratories	495	1.8	68.3	56	29.8	19.6
Continental Telecom	433	3.7	11.6	204	18.1	8.2	Society	496	1.7	9.9	168	19.5	26.6
Dominion Resources	434	3.7	16.8	448	11.8	2.4	Lucky Stores	497	1.7	−15.8	439	12.1	8.1
Rainier Bancorporation	435	3.6	34.1	291	15.4	15.1	Pennsylvania Power & Lt	498	1.6	2.3	510	10.6	36.0
Wells Fargo	436	3.6	11.1	265	16.0	9.5	Ceco Industries	499	1.6	−8.4	715	5.3	21.3
George A Hormel	437	3.5	5.9	827	2.3	2.6	Echlin	500	1.5	41.3	249	16.4	22.1
Whittaker	438	3.5	58.1	370	13.7	−6.0	K mart	501	1.5	31.9	552	9.8	11.0
Ex-Cell-O	439	3.4	5.9	736	4.8	15.0	Consol Freightways	502	1.4	15.2	941	−4.4	23.0
Combined International	440	3.4	16.9	260	16.1	2.0	Tenneco	503	1.4	−5.8	511	10.6	3.1
Iowa Resources	441	3.4	−2.4	332	14.3	18.6	Amer Broadcasting Cos	504	1.3	27.4	530	10.2	29.5

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Middle South Utilities	504	1.3%	18.7%	369	13.7%	7.6%
Upjohn	506	1.3	13.6	631	8.0	11.2
Mobil	507	1.2	–11.3	559	9.7	2.5
Pay'n Save	508	1.2	–13.3	334	14.3	14.3
Lear Siegler	509	1.2	25.1	742	4.6	42.7
Carolina Power & Light	510	1.1	14.7	326	14.6	14.6
MGM/UA Entertainment	511	1.1	–11.5	27	39.5	–2.2
Valley National	512	1.1	12.8	173	19.1	14.6
CPC International	513	1.0	–34.8	751	4.2	7.4
Holly Corp	514	1.0	346.3	193	18.3	–7.4
Witco Chemical	515	0.9	37.3	434	12.3	11.8
USLIFE	516	0.9	–0.8	640	7.7	12.7
Kimberly-Clark	517	0.8	22.8	495	11.0	11.1
Burlington Industries	518	0.7	–29.7	756	4.1	6.0
Tosco	519	0.7	P-D	597	8.7	14.7
Harcourt Brace Jovan	519	0.7	235.5	583	9.0	13.0
Levi Strauss	521	0.7	–50.1	580	9.1	–3.5
Kaneb Services	522	0.6	P-D	393	13.2	–0.4
United Telecom	523	0.6	10.6	450	11.7	6.0
Sun Company	524	0.5	–12.3	337	14.3	2.6
Great Northern Nekoosa	525	0.5	68.6	569	9.5	22.3
AmeriTrust	526	0.5	14.3	601	8.6	10.8
National City	527	0.5	26.1	198	18.2	6.3
Interpublic Group	528	0.4	33.9	382	13.5	10.7
Lincoln National	529	0.3	17.6	446	11.9	13.9
Moore Corp	530	0.1	–1.2	681	6.4	10.3
Tecumseh Products	531	0.0	44.4	901	–0.9	19.7
Texas Eastern	532	0.0	21.9	116	21.8	6.8
American Electric Power	533	0.0	33.8	397	13.1	17.9
Levitz Furniture	533	0.0	100.5	810	2.6	32.7
Big Three Industries	535	0.0	4.2	490	11.1	13.4
Hoover Universal	536	–0.1	17.0	767	3.8	10.2
Computer Sciences	537	–0.1	23.9	296	15.3	–3.2
Vulcan Materials	538	–0.1	78.3	791	3.1	26.8
St Paul Cos	539	–0.2	P-D	630	8.0	20.0
Halliburton	540	–0.3	4.3	809	2.6	–5.6
Pennzoil	541	–0.4	43.4	657	7.1	13.0
TRW	542	–0.5	40.6	672	6.7	10.3
Dayton-Hudson	543	–0.5	13.0	180	18.8	17.6
Consumers Power	544	–0.6	–20.2	525	10.3	19.1
Union Camp	544	–0.6	50.4	689	6.2	18.4
W R Grace	546	–0.6	23.5	664	7.0	9.9
Seaway Food Town	547	–0.7	–51.3	484	11.2	–1.3
Comerica	548	–0.9	8.5	184	18.6	28.8
Hawaiian Electric Inds	549	–0.9	61.2	158	19.8	7.0
American Cyanamid	550	–0.9	45.6	743	4.5	10.0
Norwest	551	–1.0	–48.6	116	21.8	12.9
Commercial Metals	552	–1.1	20.0	808	2.7	36.6
Hercules	553	–1.1	28.5	724	5.1	6.0
Robertshaw Controls	553	–1.1	81.7	797	3.1	16.4
Petrie Stores	555	–1.3	15.6	636	7.8	28.5
Gordon Jewelry	556	–1.3	32.4	508	10.7	6.6
Federal Co	557	–1.4	80.5	546	9.9	17.3
Quaker Oats	558	–1.5	117.2	561	9.6	25.4
Zurn Industries	559	–1.6	–9.9	816	2.5	0.1
Interco	560	–1.7	21.5	628	8.0	4.2
Consolidated Papers	561	–1.7	54.2	643	7.5	22.0
Harris Corp	562	–1.8	23.7	400	13.1	37.0
Peoples Energy	563	–2.0	65.6	535	10.1	13.9
Southern Union	564	–2.0	–28.4	392	13.2	–4.9
Stanley Works	565	–2.0	55.8	726	5.0	16.7
Interlake	566	–2.1	243.3	942	–4.5	21.2
Oneok	567	–2.2	37.8	395	13.1	10.4
Household International	568	–2.2%	17.1%	432	12.4%	4.3%
NCR	569	–2.3	28.0	670	6.8	8.3
Insilco	570	–2.3	1.6	661	7.0	18.3
CIGNA	571	–2.4	–79.3	603	8.6	12.3
Penn Traffic	572	–2.4	–20.5	605	8.6	12.1
Schering-Plough	573	–2.5	–3.6	540	10.0	0.2
Travelers	574	–2.5	–0.3	489	11.1	9.6
Houston Industries	575	–2.6	153.7	86	25.2	7.7
First Security	576	–2.6	–82.3	357	13.9	9.5
Safeco	577	–2.6	43.3	564	9.5	12.5
Intel	578	–2.7	170.4	185	18.6	50.2
Phillips Petroleum	579	–2.9	40.4	228	17.1	2.3
Yellow Freight System	580	–2.9	19.2	690	6.2	26.6
Federal-Mogul	581	–3.0	26.0	714	5.3	24.6
Northern Trust	582	–3.0	–13.7	275	15.7	6.1
McKesson	583	–3.2	–0.3	733	4.8	14.0
Wetterau	584	–3.2	14.1	126	21.2	24.2
Edison Brothers Stores	585	–3.2	22.1	683	6.3	10.0
Walt Disney Productions	586	–3.3	–77.4	482	11.2	26.7
Tektronix	587	–3.3	140.0	320	14.7	14.5
Hammermill Paper	588	–3.3	212.5	466	11.5	21.5
Chubb	589	–3.4	–44.2	566	9.5	13.4
Transamerica	590	–3.4	–35.6	740	4.6	9.5
Bausch & Lomb	591	–3.4	33.9	777	3.5	39.2
Sundstrand	592	–3.4	31.7	737	4.7	7.6
Westvaco	592	–3.4	100.0	702	5.7	18.3
Pueblo International	594	–3.5	128.3	473	11.4	9.7
Reichhold Chemicals	595	–3.7	49.8	891	–0.5	3.7
Pacific Resources	596	–4.0	P-D	63	27.9	26.6
Intl Minerals & Chems	597	–4.0	5.0	839	1.8	8.3
Boeing	598	–4.1	117.5	449	11.8	–10.4
Atlanta Gas Light	599	–4.2	44.7	141	20.6	10.1
Square D	600	–4.2	71.3	571	9.4	24.3
Avondale Mills	601	–4.3	24.3	821	2.4	2.8
CNA Financial	602	–4.4	–2.9	676	6.6	12.9
Heck's	603	–4.4	–43.8	675	6.6	8.3
Best Products	604	–4.5	–23.3	98	23.8	15.2
Union Pacific	605	–4.6	–19.0	136	20.7	–0.6
ARA Services	606	–4.7	15.8	572	9.3	11.3
Crown Cork & Seal	607	–4.7	43.1	884	–0.1	2.6
Idle Wild Foods	607	–4.7	1.7	728	4.9	24.1
Norfolk Southern	609	–4.7	38.3	701	5.8	13.6
Becton, Dickinson	610	–4.8	77.2	509	10.7	0.7
American Family	611	–5.0	45.3	202	18.1	19.4
Leaseway Transportation	612	–5.0	6.9	638	7.7	13.6
Palm Beach	613	–5.0	28.0	297	15.3	1.5
Equitable of Iowa Cos	614	–5.1	–40.2	500	10.9	4.2
WICOR	615	–5.2	101.3	152	20.0	10.5
No Indiana Public Svc	616	–5.3	12.5	309	14.9	9.7
Carson Pirie Scott	617	–5.3	–42.4	194	18.3	23.6
Tribune	618	–5.4	6.2	527	10.2	12.5
Ohio Casualty	619	–5.4	–51.4	730	4.9	7.1
Eastman Kodak	620	–5.5	9.5	609	8.4	–2.0
First City Bancorp	621	–5.5	–53.9	74	26.6	14.9
Anderson, Clayton	622	–5.6	–19.4	828	2.3	18.2
Liquid Air	623	–5.7	10.0	627	8.0	7.4
National Can	623	–5.7	116.5	662	7.0	17.6
Kemper	625	–5.7	–58.8	181	18.7	3.6
Centerre Bancorporation	626	–5.7	0.0	217	17.5	6.0
Scott Paper	627	–5.7	82.4	648	7.3	8.9
Briggs & Stratton	628	–5.9	80.9	748	4.3	32.2
E I Du Pont de Nemours	629	–5.9	47.8	50	30.9	4.6
Bowater	630	–5.9	61.1	723	5.1	20.2

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Warner-Lambert	631	–5.9%	14.0%	858	1.1%	2.8%
IU International	632	–6.0	–59.6	939	–4.3	16.5
Emery Air Freight	633	–6.0	46.1	591	8.8	27.8
Central Steel & Wire	634	–6.2	30.7	952	–5.3	38.7
Nucor	635	–6.2	55.4	539	10.0	27.4
Manufacturers National	636	–6.3	6.2	375	13.5	11.1
A E Staley Mfg	637	–6.3	306.5	683	6.3	27.4
Amerada Hess	638	–7.0	20.7	487	11.1	5.5
CBS	639	–7.0	56.8	703	5.6	15.9
Louisiana Land & Explor	640	–7.1	17.4	232	17.0	11.1
Xerox	641	–7.4	–30.8	655	7.1	3.1
Tyler	642	–7.7	125.6	154	19.9	48.5
Bemis	643	–7.7	63.4	854	1.2	11.5
Handy & Harman	644	–7.7	61.3	879	0.3	12.7
Ogden	645	–7.8	–22.7	897	–0.8	0.3
Blue Bell	646	–7.9	30.2	652	7.2	–4.4
Parker-Hannifin	647	–8.0	114.2	584	9.0	27.5
Fairchild Industries	648	–8.1	39.4	427	12.5	–3.2
Central Soya	649	–8.2	–10.1	866	0.8	14.2
Lubrizol	650	–8.4	31.5	725	5.1	6.8
American Maize-Products	651	–8.7	192.6	869	0.7	20.4
Armstrong World Inds	652	–8.8	63.7	835	2.0	10.6
IC Industries	653	–8.9	152.8	718	5.2	1.7
Carter Hawley Hale	654	–8.9	83.1	516	10.5	29.2
Arvin Industries	655	–9.1	114.1	768	3.8	33.3
Harsco	656	–9.2	38.9	861	1.0	17.7
Di Giorgio	657	–9.3	–45.3	864	0.9	20.2
Newmont Mining	658	–9.6	–45.3	899	–0.9	12.4
Washington National	659	–9.8	–13.8	908	–1.3	–4.4
Corning Glass Works	660	–10.1	–23.6	740	4.6	8.8
SCM	661	–10.2	205.0	834	2.0	20.6
USF&G	661	–10.2	–10.9	765	3.8	15.0
Revlon	663	–10.5	43.2	515	10.5	1.6
White Consolidated Inds	664	–10.5	9.8	786	3.2	3.1
Riegel Textile	665	–10.6	100.5	706	5.6	4.5
BankAmerica	666	–10.7	–18.3	310	14.9	4.6
International Paper	667	–10.8	25.4	889	–0.4	10.4
H J Wilson	668	–11.0	–5.2	147	20.2	8.9
Avon Products	669	–11.3	–5.5	625	8.1	1.5
Marsh Supermarkets	670	–11.5	–45.5	590	8.9	1.8
McGraw-Edison	671	–11.6	27.9	343	14.2	7.5
Pennwalt	672	–11.7	75.0	893	–0.6	8.6
Ferro	673	–11.7	28.9	784	3.4	12.0
Carpenter Technology	674	–11.8	78.3	862	0.9	33.7
Beatrice	675	–11.9	500.0+	751	4.2	9.9
MAPCO	676	–11.9	36.8	56	29.8	4.7
Rollins	677	–12.1	56.1	892	–0.6	5.2
Research-Cottrell	678	–12.1	–39.2	503	10.9	–6.0
MGM Grand Hotels	679	–12.1	–25.9	754	4.2	5.3
Textron	680	–12.2	24.7	922	–2.4	9.6
Univar	681	–12.3	131.0	826	2.3	12.6
Burroughs	682	–12.4	118.6	417	12.7	15.1
Cooper Industries	683	–12.6	101.0	152	20.0	6.4
Natl Distillers & Chem	684	–12.7	47.4	678	6.5	88.2
United Energy Resources	685	–12.9	20.8	231	17.0	–4.6
Northwestern Natl Life	686	–12.9	35.8	30	38.1	35.5
United States Gypsum	687	–13.1	160.4	867	0.8	41.3
Pacific Gamble Robinson	688	–13.2	–65.0	693	6.1	8.5
Trinity Industries	689	–13.5	P-D	766	3.8	2.9
Godfrey	690	–14.0	27.9	567	9.5	6.6
Earle M Jorgensen	691	–14.1	84.4	953	–5.4	27.2
GenCorp	692	–14.2	57.9	902	–1.1	11.8
California First Bank	693	–14.3	–0.5	261	16.1	9.5
Transway International	694	–14.3%	151.7%	923	–2.4%	14.9%
Dana	695	–14.3	157.3	812	2.6	33.2
Ryan Homes	696	–14.5	–23.9	775	3.5	3.6
Fieldcrest Mills	697	–14.5	–27.1	833	2.0	6.8
Owens-Illinois	698	–14.9	D-P	846	1.6	–1.4
Sperry	699	–14.9	63.1	800	2.9	3.5
Eagle-Picher Industries	700	–14.9	121.8	887	–0.3	32.1
Continental Illinois	701	–15.1	P-D	241	16.7	–4.9
Aetna Life & Casualty	702	–15.2	–49.9	616	8.3	2.0
Amdahl	703	–15.2	23.1	201	18.2	11.3
NICOR	704	–15.9	94.1	440	12.1	10.8
Champion Spark Plug	705	–16.0	47.3	853	1.2	8.8
Owens-Corning Fiberglas	706	–16.2	68.7	685	6.3	12.8
Skyline	707	–16.3	–1.4	974	–8.2	18.3
Polaroid	708	–16.4	21.1	917	–1.9	2.4
Gould	709	–16.6	7.2	967	–7.0	15.0
National Gypsum	710	–16.6	174.9	823	2.4	50.6
Norton	711	–17.0	103.9	782	3.4	4.9
Longview Fibre	712	–17.0	217.3	721	5.1	34.0
DEKALB AgResearch	713	–17.0	121.5	618	8.2	13.1
Foxboro	714	–17.1	–40.2	658	7.1	1.8
American Standard	715	–17.1	30.9	900	–0.9	50.7
Smart & Final Iris	716	–17.1	135.3	695	6.0	–16.1
Dow Chemical	717	–17.7	122.2	606	8.5	10.1
Data General	718	–17.8	220.8	240	16.7	40.0
General Public Utils	719	–17.9	128.9	335	14.3	7.7
Bally Manufacturing	720	–18.2	–92.1	35	34.8	17.1
Avco	721	–19.0	58.9	557	9.7	6.7
Fluor	722	–19.3	P-D	232	17.0	–18.7
PACCAR	723	–19.6	249.7	945	–4.8	75.0
Signal Cos	724	–20.6	202.5	538	10.1	7.0
Resorts International	725	–20.8	–25.5	579	9.1	–3.3
U S Home	726	–21.3	P-D	691	6.1	1.9
Del E Webb	727	–21.5	305.4	972	–8.2	47.4
Libbey-Owens-Ford	728	–21.9	217.5	883	0.1	45.0
Unidynamics	729	–22.0	461.1	878	0.4	24.2
Potlatch	730	–22.1	52.8	822	2.4	13.4
Ashland Oil	731	–22.4	P-D	570	9.5	5.1
Northrop	732	–22.5	103.7	384	13.4	12.7
Northwest Airlines	733	–22.7	163.5	159	19.8	15.2
St Regis	734	–22.9	D-P	798	3.0	12.6
Weyerhaeuser	735	–23.0	72.9	790	3.1	16.5
Smithfield Foods	736	–23.5	–77.2	34	34.8	–6.8
RLC	737	–25.4	144.1	757	4.0	22.6
Cameron Iron Works	738	–25.4	D-D	170	19.2	–39.3
Union Carbide	739	–25.7	–9.9	837	1.9	6.2
Stewart-Warner	740	–25.9	169.5	955	–5.5	14.2
Moore McCormack Res	741	–26.3	176.8	832	2.1	30.9
City Investing	742	–26.6	–69.5	622	8.1	33.4
Joy Manufacturing	743	–27.1	500.0+	847	1.4	7.6
Farm House Food	744	–27.6	500.0+	31	36.3	4.1
Jim Walter	745	–27.8	37.3	801	2.9	11.5
Georgia-Pacific	746	–28.2	500.0+	688	6.2	12.6
Datapoint	747	–29.2	222.5	65	27.8	11.1
Sun Chemical	748	–29.3	–25.8	386	13.4	19.3
Willamette Industries	749	–31.5	118.6	716	5.3	12.9
Champion International	750	–32.3	119.4	792	3.1	9.6
Tidewater	751	–33.3	P-D	458	11.7	–14.0
Boise Cascade	752	–34.2	110.3	747	4.4	16.5
Gates Learjet	753	–36.4	500.0+	665	6.9	19.2
Dayco	754	–37.6	500.0+	852	1.2	28.5
Deere	755	–40.9	D-P	905	–1.2	6.4
UGI	756	–42.1	472.7	90	24.9	1.7

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Crown Central Petroleum	757	–42.7%	P-D	151	20.0%	2.6%
Dresser Industries	758	–42.8	500.0+%	762	3.9	0.5
Continental Corp	759	–43.2	–52.7	746	4.5	24.6
Rexnord	760	–43.8	500.0+	909	–1.4	14.5
Brockway Inc (NY)	761	–46.4	P-D	531	10.2	12.4
Gifford-Hill	762	–47.0	500.0	820	2.4	12.5
Alcan Aluminium	763	–52.0	D-P	712	5.4	–2.6
A O Smith		NM	331.6	890	–0.5	15.5
AM International		NM	206.9	947	–5.1	7.3
AMAX		NM	D-D	828	2.3	6.6
AMF		NM	D-P	968	–7.3	14.3
AMR		NM	166.5	505	10.8	16.6
ASARCO		NM	P-D	859	1.1	–1.4
Alexander & Alexander		NM	D-D	330	14.4	–4.6
Alexander's		NM	–13.6	779	3.5	1.2
Allegheny International		NM	D-P	237	16.9	0.6
Allen Group		NM	D-P	845	1.6	52.8
Allied Corp		NM	–78.2	121	21.5	19.3
Allied Supermarkets		NM	D-Z	935	–3.6	10.0
Allis-Chalmers		NM	D-D	959	–5.9	2.7
Alcoa		NM	500.0+	780	3.4	20.3
Amer Hoist & Derrick		NM	D-D	949	–5.2	–6.6
American Bakeries		NM	D-P	895	–0.7	–0.4
American Can		NM	23.4	934	–3.3	–1.6
American Motors		NM	D-P	807	2.7	25.4
American President Cos		NM	500.0+	472	11.5	24.4
Amfac		NM	D-D	595	8.8	7.1
Ampco-Pittsburgh		NM	D-P	553	9.8	51.6
Amsted Industries		NM	D-P	970	–7.8	27.8
Anchor Hocking		NM	D-P	871	0.7	–29.8
Arkansas Best		NM	100.8	249	16.4	9.6
Armco		NM	D-D	875	0.5	6.7
Armstrong Rubber		NM	14.5	477	11.3	11.9
Arrow Electronics		NM	D-P	91	24.7	48.8
Athlone Industries		NM	D-P	924	–2.6	27.2
B F Goodrich		NM	D-P	788	3.2	11.4
Baker International		NM	D-P	172	19.1	–0.2
Barnes Group		NM	D-P	789	3.2	10.1
Bell & Howell		NM	188.1	758	4.0	7.8
Beneficial Corp		NM	44.0	936	–3.9	14.0
Bethlehem Steel		NM	D-D	956	–5.6	20.0
Bird		NM	D-D	954	–5.4	10.8
Black & Decker Mfg		NM	91.2	818	2.5	31.3
Borman's		NM	P-D	749	4.3	1.8
Bucyrus-Erie		NM	D-D	814	2.6	–27.9
Butler Manufacturing		NM	D-D	921	–2.4	10.8
Caesars World		NM	D-P	66	27.7	9.4
CalFed		NM	–29.3	69	26.9	30.6
Castle & Cooke		NM	P-D	774	3.6	1.7
Caterpillar Tractor		NM	D-D	949	–5.2	44.9
Celanese		NM	500.0+	785	3.3	7.4
CertainTeed		NM	24.3	849	1.4	18.6
Cessna Aircraft		NM	D-P	960	–6.0	32.3
Charter		NM	P-D	286	15.4	70.3
Chicago & North Western		NM	115.0	732	4.8	7.4
Chicago Pneumatic Tool		NM	D-P	918	–2.0	11.7
Chromalloy American		NM	D-D	984	–11.1	2.1
Chrysler		NM	351.2	910	–1.5	54.2
Cincinnati Milacron		NM	D-P	907	–1.3	18.7
Circle K		NM	38.8	252	16.4	59.6
City Federal S & L		NM	83.4	20	44.2	42.7
Clark Equipment		NM	66.3	986	–12.1	37.1
Coachmen Industries		NM	–13.4	429	12.4	26.0
Coastal Corp		NM	30.2%	331	14.4%	8.5%
Coleco Industries		NM	P-D	21	43.4	13.6
Colonial Penn Group		NM	12.7	293	15.3	3.6
Colt Industries		NM	72.1	944	–4.7	22.3
Combustion Engineering		NM	P-D	660	7.0	–2.6
Cook United		NM	D-D	563	9.5	–27.6
Copperweld		NM	D-P	946	–5.1	50.8
Crane		NM	D-D	976	–8.9	5.0
Crocker National		NM	P-D	175	19.0	2.2
Crown Zellerbach		NM	D-P	836	1.9	12.5
Culbro		NM	55.3	647	7.3	80.8
Cummins Engine		NM	D-P	882	0.3	49.2
Cyclops		NM	D-P	772	3.7	27.7
Delta Air Lines		NM	D-P	413	12.8	18.5
Diamond Shamrock		NM	P-D	246	16.5	27.1
Dorsey		NM	–25.4	727	4.9	17.5
Dravo		NM	D-D	840	1.8	–1.3
Dynalectron		NM	–8.4	445	11.9	20.6
Eastern Air Lines		NM	D-D	528	10.2	8.6
Eaton		NM	D-P	933	–3.3	32.9
Economics Laboratory		NM	D-P	476	11.3	4.8
Evans Products		NM	D-D	874	0.6	40.2
F W Woolworth		NM	D-P	937	–3.9	7.5
Federal Natl Mortgage		NM	P-D	154	19.9	5.4
Fidelcor		NM	–17.3	254	16.3	33.2
Firestone Tire & Rubber		NM	20.3	962	–6.1	16.6
First Natl Supermarkets		NM	P-D	848	1.4	5.3
First Pennsylvania		NM	D-D	973	–8.2	4.5
Fisher Foods		NM	D-D	993	–20.5	1.6
Fleetwood Enterprises		NM	36.9	881	0.3	37.2
Foodarama Supermarkets		NM	P-D	811	2.6	0.5
Ford Motor		NM	244.5	896	–0.7	24.6
Fremont General		NM	D-D	102	23.1	31.8
Frontier Holdings		NM	D-D	337	14.3	25.6
Fruehauf		NM	D-P	928	–3.0	40.7
Fuqua Industries		NM	–7.8	990	–16.4	18.5
GAF		NM	D-D	982	–11.0	8.9
GATX		NM	P-D	802	2.9	1.5
Gelco		NM	D-P	82	25.6	–1.0
General Dynamics		NM	46.1	248	16.4	5.6
General Host		NM	–27.0	926	–2.7	28.0
General Motors		NM	91.0	841	1.8	23.9
General Refractories		NM	D-P	971	–8.0	4.7
Genesco		NM	D-P	980	–10.6	–5.2
Geo International		NM	D-D	308	14.9	8.9
Gibraltar Finl Corp Cal		NM	16.0	209	17.9	40.2
Glendale Federal S&L		NM	16.8	78	26.1	24.5
Golden West Financial		NM	2.2	61	28.7	7.9
Great Atl & Pacific Tea		NM	44.3	975	–8.3	15.0
Great Western Financial		NM	88.7	133	21.0	76.7
Gulf & Western Inds		NM	D-P	898	–0.9	13.3
Gulf Resources & Chem		NM	169.7	943	–4.6	6.2
H F Ahmanson		NM	–41.6	229	17.1	19.8
HRT Industries		NM	D-D	633	7.8	–3.6
Harnischfeger		NM	D-P	969	–7.5	8.2
Home Federal S&L Cal		NM	174.7	132	21.0	23.0
Hoover		NM	54.2	916	–1.9	2.7
Hughes Tool		NM	D-D	257	16.2	–3.1
Ideal Basic Industries		NM	D-D	914	–1.8	5.8
Imperial Corp of Amer		NM	D-D	339	14.3	32.4
Inco		NM	D-D	989	–14.4	32.0
Ingersoll-Rand		NM	D-D	868	0.7	2.3
Inland Steel		NM	D-D	925	–2.7	25.4

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. D-Z: Deficit to zero.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in growth

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Inspiration Resources		NM	D-D	575	9.2%	12.3%
InterFirst		NM	D-P	75	26.4	12.2
International Harvester		NM	D-D	987	–13.3	–2.3
Interstate Bakeries		NM	D-D	711	5.4	5.1
J P Stevens		NM	12.8%	824	2.3	11.3
Kaiser Aluminum & Chem		NM	D-P	831	2.1	41.7
Kaufman & Broad		NM	500.0+	863	0.9	14.2
Kay		NM	–46.8	812	2.6	40.7
Kerr Glass Mfg		NM	D-D	634	7.8	–44.1
Keystone Consol Inds		NM	D-D	981	–10.6	–6.8
Koppers		NM	D-P	904	–1.2	19.9
L B Foster		NM	D-P	880	0.3	22.4
LTV		NM	D-D	720	5.2	64.8
Lafarge		NM	D-D	306	15.0	2.5
Litton Industries		NM	35.3	699	5.9	16.3
Lockheed		NM	25.4	438	12.2	18.8
Lone Star Industries		NM	D-P	912	–1.6	8.1
Louisiana-Pacific		NM	150.0	930	–3.0	20.2
Lukens		NM	D-P	783	3.4	16.4
M Lowenstein		NM	70.9	919	–2.1	16.7
MCI Communications		NM	–87.5	6	82.6	17.1
Mack Trucks		NM	D-P	966	–7.0	61.2
Macmillan		NM	33.2	965	–6.9	20.5
Manhattan Industries		NM	51.3	738	4.7	20.6
Manville		NM	D-P	911	–1.6	0.0
Massey-Ferguson		NM	D-D	985	–12.0	–15.9
Mattel		NM	D-D	587	8.9	–23.3
McLean Industries		NM	8.7	406	12.9	20.0
Mead		NM	D-P	865	0.8	–6.3
Michigan National		NM	P-D	340	14.3	10.1
Midland-Ross		NM	D-P	769	3.8	13.3
Mission Insurance Group		NM	P-D	483	11.2	13.2
Mohasco		NM	D-P	939	–4.3	13.9
Monfort of Colorado		NM	0.0	118	21.7	8.5
Morse Shoe		NM	44.6	629	8.0	3.7
Munford		NM	23.5	[illegible]	8.7	5.0
NI Industries		NM	46.3	[illegible]	1.8	13.9
NL Industries		NM	D-P	920	–2.2	–10.0
NVF		NM	D-D	991	–17.2	46.0
Nashua		NM	D-P	851	1.3	3.4
National Intergroup		NM	P-D	957	–5.6	1.7
National Semiconductor		NM	D-P	197	18.3	35.5
National-Standard		NM	D-P	958	–5.7	22.1
Northwest Industries		NM	P-D	961	–6.0	23.2
Northwest Steel & Wire		NM	D-D	988	–13.3	22.4
Oak Industries		NM	D-D	167	19.6	–7.3
Occidental Petroleum		NM	D-P	94	24.5	–16.9
PSA		NM	D-D	242	16.7	26.2
Paine Webber Group		NM	–86.1	51	30.8	0.8
Pan Am Corp		NM	D-D	455	11.7	0.6
Pantry Pride		NM	5.3	992	–17.4	–18.2
Parker Drilling		NM	D-D	387	13.3	–35.6
Parker Pen		NM	D-P	780	3.4	20.8
Peabody International		NM	P-D	749	4.3	–7.6
Penn Central		NM	–52.1	36	34.6	0.4
Pettibone		NM	D-D	983	–11.0	5.0
Phelps Dodge		NM	D-D	927	–2.9	–3.2
Pittston		NM	D-D	824	2.3	15.4
RCA		NM	29.8	708	5.4	10.9

Company	Earnings per share			Sales		
	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Ramada Inns		NM	D-P	362	13.8%	2.6%
Rath Packing		NM	D-D	777	3.5	–39.1
Republic Airlines		NM	D-P	29	38.2	6.9
Revere Copper & Brass		NM	D-D	964	–6.6	25.8
Reynolds Metals		NM	D-P	850	1.3	18.4
Savannah Foods & Inds		NM	–24.9%	492	11.0	22.5
Savin		NM	D-D	375	13.5	–2.5
Scovill		NM	26.5	932	–3.1	18.1
Sheller-Globe		NM	93.3	913	–1.8	34.3
Singer		NM	500.0+	885	–0.2	2.5
Smith International		NM	D-P	349	14.1	–2.1
Southwest Forest Inds		NM	D-P	906	–1.3	22.3
Stauffer Chemical		NM	D-P	873	0.7	12.4
Stewart & Stevenson		NM	D-D	707	5.5	–13.8
Stone Container		NM	43.0	291	15.4	143.6
Storage Technology		NM	P-D	73	26.7	–6.0
Storer Communications		NM	D-D	70	26.9	17.3
Swift Independent		NM	–33.3	677	6.5	10.9
Sybron		NM	D-D	931	–3.1	–9.5
Talley Industries		NM	–56.0	978	–10.0	6.6
Texas Air		NM	D-D	9	58.9	–17.4
Texas Instruments		NM	D-P	462	11.6	25.9
Thorn Apple Valley		NM	–84.5	526	10.2	–4.1
Tiger International		NM	D-D	401	13.0	15.5
Timken		NM	D-P	938	–4.2	29.2
Toro		NM	D-P	951	–5.2	16.3
Tosco		NM	D-D	191	18.4	–34.6
Trans World Airlines		NM	NA	719	5.2	8.0
UAL		NM	44.7	562	9.5	23.2
Uniroyal		NM	194.0	963	–6.3	12.2
United Brands		NM	D-P	903	–1.1	–3.1
United Merchants & Mfrs		NM	D-P	948	–5.2	28.0
United States Steel		NM	D-D	545	10.0	11.5
Varian Associates		NM	27.1	408	12.9	22.1
Warner Communications		NM	D-D	85	25.4	61.7
Western Air Lines		NM	D-D	695	6.0	5.7
Western Co of North Am		NM	D-D	89	25.0	5.2
Western Union		NM	P-D	553	9.8	8.7
Westmoreland Coal		NM	86.0	455	11.7	10.5
Wheeling-Pitts Steel		NM	D-D	977	–9.3	43.9
Wickes Cos		NM	D-P	582	9.0	9.0
Wilson Foods		NM	D-D	886	–0.3	–13.5
Zale		NM	77.0	860	1.0	8.0
Zenith Electronics		NM	309.6	686	6.3	21.9
Amer Info Technology		NA	NA	606	8.5	–4.4
Amer Tel & Tel		NA	NA		NA	NA
Bell Atlantic		NA	NA	532	10.2	–6.2
BellSouth		NA	NA	533	10.1	–8.4
Delchamps		NA	12.5		NA	9.2
Great Amer First Savings		NA	NA	105	22.8	15.9
Gulfstream Aerospace		NA	1.8		NA	0.5
NYNEX		NA	NA		NA	–3.7
Pabst Brewing		NA	NA		NA	0.5
Pacific Telesis Group		NA	NA		NA	–1.6
Sea-Land		NA	NA	674	6.7	9.4
Southwestern Bell		NA	NA		NA	–8.2
Temple-Inland		NA	NA	671	6.8	7.2
Time Inc		NA	76.6	230	17.0	13.6
U S West		NA	NA	514	10.5	–4.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

WHO'S WHERE IN THE STOCK MARKET

Over the past five years, the median share price gain of the ranked companies on this list is over 50%. That has protected most investors against inflation and made a few very rich.

THE COMPANIES THAT RANK HIGH in this table have one thing in common: They made piles of money for those smart—or lucky—enough to have held their shares over the past five years.

For the stars in the top ten, the big winners tend to be founders or of founding families. That's because an unusual number of these firms are still dominated by the people who got them started. There is something else unusual about this year's crop of stock market stars: All but three of the ten companies with the highest five-year gains are retailers.

At The Limited, Leslie Wexner presides over the nation's largest chain of women's apparel specialty shops. Toys "R" Us Chairman Charles Lazarus applied supermarket concepts to his market, and now has 198 outlets. Then there's Sam Walton. He started with one Arkansas variety store and now runs a business with annual revenues of $4.6 billion. Not incidentally, both Walton and Wexner rate a spot on The Forbes Four Hundred.

Curious, isn't it? In recent years the biggest fortunes Wall Street has handed out have gone to enterprising merchants rather than to software stars or gene-splicing geniuses. Look outside the top ten and you will see First Boston and Donaldson, Lufkin & Jenrette. So don't worry about the dealmakers. They always seem to leave something on the table for themselves.

Another fascinating aspect of this roster is the number of dramatic turnarounds that have made investors rich. Less than a decade ago competitors helped bail out GEICO, because they feared its collapse would bring tougher insurance regulation. Now the company is an industry star. Similar resurgences have occurred at firms as large as Chrysler and as small as Cooper Tire.

With this in mind, forget the big gainers at the top of the table. Value-oriented investors look at companies that have lagged the pack rather than at the pacesetters. After all, what has gone up can easily come down. But what hasn't budged might someday take off. Of course, the 47 companies at the end of this list are special situations. They don't have five-year performance ratings because divestitures, spinoffs or new stock issues make valid comparisons impossible.

But look closely at the 34 firms where share prices are down by more than 50% since 1979. What do these losers have in common? Many—like Tosco and Charter—did well when oil prices were high, but they expanded too fast. Others, such as Allis-Chalmers and International Harvester, are trapped at the bottom in viciously cyclical industries. Then there are companies like Storage Technology and Oak Industries, which cooled off abruptly after developing one very hot product.

The challenge is to spot the next Chrysler, the next GEICO. Those who succeed aren't guaranteed to become as wealthy as Sam Walton, but they'll surely earn handsome returns.

Guessing wrong might not be too bad, either. Over the past five years the median share price gain of the ranked companies on this list was over 50%. That's considerably better than the Consumer Price Index, which gained 37% over the period. ■

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
1	7	**Limited**	1,484.6%	31 – 1⅜	25¾	$ 3.25	0.13	$1.38	19	1.25	$0.24	0.9%
2	27	**Dillard Dept Stores**	1,010.3	41⅞– 3	40¼	14.65	0.36	3.06	13	0.58	0.20	0.5
3	10	**Zayre**	969.7	49 – 3⅞	44⅛	20.02	0.45	3.68	12	0.29	0.40	0.9
4	1	**Pulte Home**	900.3	37½– 1⅛	16⅞	5.69	0.34	0.89	19	0.45	0.12	0.7
5	15	**Rose's Stores**	861.5	25¼– 2½	23½	12.09	0.51	2.31	10	0.27	0.38	1.6
6	6	**Wal-Mart Stores**	846.9	47 – 3½	41⅛	5.27	0.13	1.73	24	0.97	0.21	0.5
7	3	**Subaru of America**	841.4	120 – 9¾	116½	24.11	0.21	9.38	12	0.63	1.68	1.4
8	4	**Toys "R" Us**	788.4	52⅞– 4¼	50¼	8.68	0.17	1.77	28	1.84	none	0.0
9	*	**Ames Department Stores**	715.1	30½– 2⅞	27⅝	7.60	0.28	1.75	16	0.47	0.20	0.7
10	8	**Coleco Industries**	677.3	65 – 2	17	5.58	0.33	–1.35	def	0.39	none	0.0
11	40	**First Boston**	645.2	66⅞– 5	52⅝	34.29	0.65	5.98	9	0.33	2.00	3.8
12	95	**Donaldson, Lufkin**	637.5	29½– 3½	29½	12.77	0.43	1.65	18	0.46	0.28	0.9
13	60	**Dean Foods**	629.6	29⅜– 3⅜	27⅛	7.92	0.29	1.84	15	0.41	0.48	1.8
14	69	**Allegheny Beverage**	625.9	20¾– 2½	18¾	9.88	0.53	1.66	11	0.18	0.40	2.1
15	36	**Saga**	614.7	40¼– 3⅜	33½	12.70	0.38	2.47	14	0.37	0.44	1.3
16	33	**State Street Boston**	578.8	47¼– 5½	42	27.92	0.66	5.44	8	0.73	1.00	2.4
17	18	**Stop & Shop Cos**	574.0	62⅝– 5⅛	42⅛	24.53	0.58	4.79	9	0.16	1.00	2.4
18	31	**MEI**	500.0	40 – 4⅞	36⅜	10.03	0.28	2.54	14	0.88	0.44	1.2
19	2	**First Executive**	493.7	18¼– 1⅜	11½	9.94	0.86	1.10	10	0.36	none	0.0
20	107	**Culbro**	484.2	26½– 3	23	29.55	1.28	3.06	8	0.10	0.60	2.6
21	126	**Strawbridge & Clothier**	471.8	56 – 7⅝	50¾	32.52	0.64	4.64	11	0.45	0.90	1.8
22	83	**CFS Continental**	469.0	39⅛– 4⅛	37⅞	13.98	0.37	2.23	17	0.23	0.40	1.1
23	*	**Cooper Tire & Rubber**	468.4	22¾– 2½	16⅞	13.96	0.83	2.28	7	0.32	0.40	2.4
24	68	**American Greetings**	460.0	33⅞– 4¾	33¼	11.61	0.35	2.09	16	1.20	0.58	1.7
25	110	**M Lowenstein**	460.0	49¾– 6	43¾	44.33	1.01	7.28	6	0.28	2.00	4.6
26	*	**Coachmen Industries**	436.4	39⅝– 2¼	14¾	9.13	0.62	2.13	7	0.24	0.40	2.7
27	13	**Chicago & North Western**	436.1	53⅞– 4	24⅛	18.59	0.77	2.58	9	0.42	none	0.0
28	38	**Walgreen**	423.3	44⅞– 6⅝	43½	13.52	0.31	2.78	16	0.49	0.88	2.0
29	17	**GEICO**	415.8	65⅝– 8⅛	61¼	19.88	0.32	4.96	12	1.24	0.88	1.4
30	119	**Flowers Industries**	414.9	17 – 2⅞	16¼	5.46	0.34	0.96	17	0.61	0.38	2.3
31	42	**Fleetwood Enterprises**	410.8	41⅞– 2½	23⅝	9.25	0.39	2.56	9	0.40	0.36	1.5
32	77	**Hannaford Bros**	403.2	32 – 5⅜	29⅞	17.82	0.60	3.04	10	0.16	0.90	3.0
33	5	**MCI Communications**	398.0	27¾– 1⅛	7⅝	4.87	0.64	0.17	45	0.89	none	0.0
34	108	**Brunswick**	393.5	36¼– 5⅛	33	17.82	0.54	4.26	8	0.50	1.00	3.0
35	*	**Advanced Micro Devices**	390.8	41⅛– 4½	29¾	5.09	0.17	2.26	13	1.95	none	0.0
36	16	**Oxford Industries**	383.8	25⅞– 2⅛	13	10.89	0.84	1.92	7	0.25	0.40	3.1
37	134	**First Atlanta**	383.5	25¾– 4⅝	24⅝	16.25	0.66	3.19	8	0.61	0.88	3.6
38	161	**Dibrell Brothers**	380.0	28¼– 5¼	27¾	21.09	0.76	6.14	5	0.23	1.00	3.6
39	23	**VF**	374.4	41⅜– 4⅝	25½	12.18	0.48	3.82	7	0.71	1.12	4.4
40	64	**Savannah Foods & Inds**	374.2	45 – 6⅜	32¾	26.32	0.80	5.46	6	0.19	1.65	5.0
41	173	**Smart & Final Iris**	370.2	122½–20	122¼	65.89	0.54	11.32	11	0.21	1.80	1.5
42	82	**USAir Group**	365.5	39⅞– 6½	32	26.77	0.84	5.12	6	0.46	0.12	0.4
43	39	**Sysco**	362.8	44½– 6⅝	35	13.67	0.39	2.22	16	0.31	0.36	1.0
44	76	**ConAgra**	360.9	27⅜– 5	26½	11.33	0.43	1.79	15	0.22	0.87	3.3
45	29	**Paine Webber Group**	360.3	61⅜– 5¾	31½	19.76	0.63	0.77	41	0.33	0.60	1.9
46	93	**Trust Co of Georgia**	357.5	31⅜– 5⅝	27⅞	13.60	0.49	3.54	8	1.10	1.00	3.6
47	169	**New York Times**	356.9	38½– 6	35⅛	10.60	0.30	2.37	15	1.16	0.52	1.5
48	99	**Meredith**	355.6	56¼–10⅝	53¼	24.29	0.46	4.07	13	1.10	0.80	1.5
49	*	**Guardian Industries**	345.6	29⅞– 4⅝	22	9.34	0.42	1.77	12	0.91	0.32	1.5
50	65	**Sherwin-Williams**	345.1	32⅜– 5⅞	29⅝	16.18	0.55	2.75	11	0.33	0.76	2.6
51	121	**Arden Group**	344.4	16 – 2⅜	15	10.62	0.71	1.26	12	0.08	none	0.0
52	109	**Pay Less Drug Stores NW**	343.9	24⅛– 3¾	22¾	7.19	0.32	1.48	15	0.47	0.34	1.5
53	14	**Bergen Brunswig**	342.4	39½– 4¼	23½	9.99	0.43	1.45	16	0.17	0.32	1.4
54	67	**Giant Food**	333.9	26¼– 4⅜	25⅝	13.21	0.52	2.90	9	0.19	0.80	3.1
55	283	**Tyson Foods**	332.6	23¾– 3⅝	23¼	8.56	0.37	2.33	10	0.24	0.08	0.3
56	25	**E F Hutton Group**	331.3	53⅜– 6½	31	23.43	0.76	1.44	22	0.32	0.80	2.6
57	48	**Marriott**	328.4	81 –16⅜	75½	23.37	0.31	4.72	16	0.57	0.54	0.7
58	62	**General Cinema**	327.5	28 – 4	25¼	6.54	0.26	1.85	14	0.99	0.46	1.8
59	151	**Munford**	326.7	24⅛– 3¾	22	12.66	0.58	1.89	12	0.22	0.54	2.5
60	168	**Chrysler**	322.2	35⅝– 3	28½	9.18	0.32	7.31	4	0.20	1.00	3.5
61	57	**United States Shoe**	321.0	49 – 5½	25⅛	18.16	0.72	2.88	9	0.34	0.86	3.4
62	74	**Collins & Aikman**	316.9	45 – 6¼	33⅞	22.41	0.66	5.46	6	0.36	1.20	3.5
63	97	**American Stores**	316.9	44 – 6¾	37	15.26	0.41	3.98	9	0.12	0.64	1.7

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank		Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
84	83											
64	*	**Gap Stores**	316.2%	45¼–3⅝	22½	$ 14.24	0.63	$ 2.21	10	0.38	$0.50	2.2%
65	19	**Berkshire Hathaway**	306.3	1,385–245	1,300	981.75	0.76	68.90	19	2.25	none	0.0
66	214	**Armstrong Rubber**	305.5	22⅛–3⅝	18½	19.49	1.05	2.61	7	0.27	0.48	2.6
67	44	**Dow Jones**	303.7	57–8¾	40⅝	6.50	0.16	2.01	20	2.77	0.72	1.8
68	383	**Denny's**	302.4	41⅝–7⅞	41⅝	19.45	0.47	2.78	15	0.53	none	0.0
69	180	**Fidelcor**	296.6	44–8⅞	43⅝	46.76	1.07	6.97	6	0.36	2.40	5.5
70	196	**Washington Post**	296.4	85–15⅞	83¼	22.50	0.27	5.66	15	1.22	0.80	1.0
71	54	**Natl Convenience Stores**	294.1	18⅛–2⅞	16½	5.59	0.34	0.98	17	0.38	0.36	2.2
72	51	**Food Lion**	289.4	14⅞–2⅝	13¾	2.35	0.17	0.65	21	0.53	0.07	0.5
73	123	**Magic Chef**	288.1	43⅝–6	32½	25.23	0.78	5.99	5	0.29	0.80	2.5
74	86	**Rite Aid**	286.6	27¼–4⅞	25¼	7.67	0.30	1.87	14	0.78	0.41	1.6
75	237	**Ruddick**	286.0	29⅞–6¾	27½	20.84	0.76	2.98	9	0.16	0.86	3.1
76	423	**Wendy's International**	285.7	20½–2¾	16¾	5.66	0.34	1.20	14	1.02	0.28	1.7
77	160	**Super Food Services**	285.4	28⅝–6⅛	23	16.28	0.71	2.20	10	0.06	0.44	1.9
78	35	**Lockheed**	284.8	48¾–7⅜	44¼	13.09	0.30	4.94	9	0.38	0.45	1.0
79	32	**Warnaco**	282.8	36¼–5⅛	22¼	16.45	0.74	2.61	9	0.41	0.88	4.0
80	132	**Supermarkets General**	281.3	33–5⅜	30½	13.61	0.45	2.33	13	0.15	0.42	1.4
81	70	**James River Corp of Va**	281.0	42¼–6⅜	32⅝	17.45	0.53	3.43	10	0.39	0.56	1.7
82	224	**Ball Corp**	279.6	44¼–9½	44⅛	23.21	0.53	3.96	11	0.48	1.28	2.9
83	47	**Humana**	277.2	33¼–5⅞	24¾	7.67	0.31	1.96	13	1.22	0.68	2.7
84	89	**City Federal S & L**	271.4†	15⅝–1¾	9¾	10.80	1.11	3.76	3	0.15	0.20	2.1
84	376	**Pueblo International**	271.4	13⅜–2¼	13	11.38	0.88	1.21	11	0.09	0.16	1.2
86	53	**Beverly Enterprises**	266.8	44¾–5⅛	31¾	15.34	0.48	1.69	19	0.61	0.32	1.0
87	150	**Fleming Cos**	265.7	34½–7⅝	32	14.73	0.46	2.62	12	0.12	0.88	2.8
88	108	**Loews**	264.2	94¼–21⅛	88⅞	62.14	0.70	11.87	7	0.48	1.00	1.1
89	*	**Bruno's**	261.0‡	21–2¾	18½	4.72	0.26	1.12	17	0.44	0.28	1.5
90	128	**Mercantile Stores**	260.5	75½–12¼	54¾	35.75	0.65	5.79	9	0.48	1.20	2.2
91	152	**Teledyne**	260.1	302⅜–60⅝	257½	129.66	0.50	18.25	14	0.88	none	0.0
92	250	**Alexander's**	256.9	28½–5⅛	22¾	15.05	0.66	0.89	26	0.20	none	0.0
93	*	**Kaman**	253.8	24½–6⅛	23	12.78	0.56	2.32	10	0.30	0.56	2.4
94	223	**Phillips-Van Heusen**	248.7	23⅜–5⅛	24⅝	20.57	0.84	2.77	9	0.28	0.40	1.6
95	26	**R H Macy**	247.0	64⅞–10¼	41¾	22.61	0.54	4.13	10	0.51	1.04	2.5
96	84	**Hartmarx**	244.7	36¼–6½	27¼	22.21	0.82	3.33	8	0.32	1.12	4.1
97	225	**First Union**	240.2	34¼–6½	32	21.33	0.67	4.06	8	0.75	1.00	3.1
98	154	**Lowe's Companies**	239.7	32¾–5⅜	24⅝	8.04	0.33	1.57	16	0.56	0.32	1.3
99	75	**Browning-Ferris Inds**	238.5	47⅝–8⅛	34⅜	11.97	0.35	2.60	13	1.18	1.08	3.1
100	157	**Avery International**	237.5	31⅝–7¾	30⅜	12.29	0.40	2.31	13	0.66	0.60	2.0
101	341	**Marsh Supermarkets**	237.1	20⅜–4⅛	14¾	11.87	0.80	0.61	24	0.09	0.48	3.3
102	218	**Equifax**	236.8	37⅞–8½	32⅝	11.48	0.35	2.49	13	0.47	1.70	5.2
103	406	**Singer**	234.2	35⅞–6¼	30½	15.98	0.52	1.98	15	0.21	0.10	0.3
104	46	**Comdisco**	232.8	42–1⅝	11¾	6.64	0.57	1.05	11	0.58	0.20	1.7
105	188	**Barnett Banks of Fla**	231.9	43⅝–11⅛	42⅝	28.31	0.66	5.24	8	0.53	1.36	3.2
106	49	**Burlington Northern**	225.2	54¾–12⅞	45⅝	50.75	1.11	7.07	6	0.42	1.00	2.2
107	50	**Rolm**	225.1	80–17¼	68⅞	23.20	0.34	1.48	47	2.19	none	0.0
108	12	**Wang Laboratories**	224.2	42½–7⅛	27¼	9.01	0.33	1.59	17	1.62	0.16	0.6
109	28	**Texas Oil & Gas**	223.2	27⅞–6⅛	20½	7.18	0.35	1.65	12	2.10	0.18	0.9
110	263	**H J Heinz**	223.1	44–11⅝	43⅝	16.43	0.38	3.59	12	0.74	1.60	3.7
111	55	**Tandy**	220.0	64½–7⅛	25	10.64	0.43	2.59	10	0.84	none	0.0
112	234	**Anheuser-Busch**	218.9	77–21	71¾	36.21	0.50	7.27	10	0.54	2.00	2.8
113	130	**Capital Cities Commun**	218.5	174½–40	154⅞	47.73	0.31	10.05	15	2.22	0.20	0.1
114	454	**Carnation**	218.5	81–21	79⅝	32.22	0.40	5.78	14	0.80	2.40	3.0
115	182	**Hershey Foods**	217.8	39⅞–10	39⅛	19.02	0.49	3.33	12	0.67	1.40	3.6
116	178	**R R Donnelley & Sons**	217.5	48–11⅞	44¼	18.51	0.42	3.34	13	0.99	1.00	2.3
117	114	**Brown Group**	216.2	39⅞–7¼	26⅞	18.82	0.70	3.23	8	0.35	1.36	5.1
118	219	**Turner Construction**	215.1	24⅜–6¼	22¼	13.14	0.59	2.97	7	0.05	1.10	4.9
119	211	**Fleet Financial Group**	214.2	28⅛–7½	27¾	20.98	0.76	3.71	7	0.60	1.32	4.8
120	125	**Nordstrom**	212.9	46–7⅜	33¼	12.82	0.39	2.07	16	0.71	0.40	1.2
121	106	**Dayton-Hudson**	212.7	40⅝–9⅛	33⅛	15.91	0.48	2.61	13	0.42	0.74	2.2
122	100	**Waldbaum**	212.4	27½–4⅝	17	21.37	1.26	2.41	7	0.05	none	0.0
123	241	**Citizens & Southern Ga**	212.2	19¼–5	19⅛	12.22	0.64	2.18	9	0.78	0.76	4.0
124	235	**Weis Markets**	211.6	40⅜–10	35¼	13.76	0.39	2.65	13	0.76	0.64	1.8
125	198	**Sheller-Globe**	211.1	33½–4¾	24½	20.11	0.82	3.73	7	0.26	0.70	2.9
126	41	**Fuqua Industries**	210.8††	39⅞–6	28¾	14.98	0.52	3.64	8	0.31	0.40	1.4

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
127	24	E-Systems	210.3%	44¼– 6¾	25½	$ 8.13	0.32	$1.95	13	0.93	$0.50	2.0%
128	239	Outboard Marine	209.4	27⅝– 4½	24¾	21.79	0.88	3.02	8	0.45	0.64	2.6
129	190	Cox Communications	208.2	55¼–15	49½	17.64	0.36	2.98	17	1.96	0.34	0.7
130	242	AMR	207.4	41¼– 6¾	31⅛	26.53	0.85	6.45	5	0.29	none	0.0
131	279	Thrifty Corp	206.8	25¼– 4⅛	19¾	7.72	0.39	1.40	14	0.30	0.52	2.6
132	170	Macmillan	206.5	44⅞–10⅛	43	16.21	0.38	3.13	14	0.83	1.00	2.3
133	459	First Natl Supermarkets	204.5	23½– 3¾	16¾	16.23	0.97	–4.01	def	0.04	none	0.0
134	122	G D Searle	202.6	61½–17¼	57⅛	14.85	0.26	3.06	19	2.36	0.52	0.9
135	204	Blount	202.4	19⅝– 5	15⅞	8.87	0.56	2.10	8	0.22	0.40	2.5
136	264	American Family	200.0	25 – 5⅜	24¾	11.81	0.48	2.02	12	0.61	0.64	2.6
136	88	Roper Corp	200.0	29⅝– 4¼	15¾	16.19	1.03	2.80	6	0.18	0.64	4.1
136	228	Uniroyal	200.0	18 – 3⅛	12¾	18.14	1.42	2.47	5	0.19	0.12	0.9
139	344	Ralston Purina	198.9	35¼– 9¼	32⅞	11.60	0.35	2.68	12	0.56	0.92	2.8
140	448	Torchmark	198.8	34¼– 8⅛	31	18.91	0.61	2.97	10	0.91	1.00	3.2
141	118	ServiceMaster Inds	198.5	46 – 9⅜	31¼	2.70	0.09	1.33	23	0.83	1.12	3.6
142	63	General Host	196.9	22 – 4⅛	18	11.60	0.64	1.11	16	0.31	0.40	2.2
143	186	Manhattan Industries	196.4	26⅞– 4	16¾	17.99	1.07	2.92	6	0.16	0.30	1.8
144	232	Wachovia	195.9	28 – 7⅜	27	15.49	0.57	2.91	9	0.99	0.92	3.4
145	117	Penn Central	194.7	50¼– 9⅜	45½	45.27	0.99	1.03	44	0.39	none	0.0
146	549	Rohr Industries	194.7	46⅛– 8	42	24.45	0.58	4.92	9	0.53	none	0.0
147	78	Merrill Lynch	193.5	56½– 7¾	28¼	21.09	0.75	0.20	NM	0.46	0.80	2.8
148	305	Clorox	191.5	36½– 7⅞	29⅞	16.40	0.55	3.01	10	0.79	1.20	4.0
149	247	Deluxe Check Printers	190.8	54¾–16⅜	51⅛	12.73	0.25	3.82	14	1.71	1.76	3.4
150	73	Waste Management	190.6	61⅞–12	42½	16.01	0.38	2.73	16	1.72	0.80	1.9
151	102	Shopwell	190.4	35⅜– 3⅜	12¼	19.75	1.61	0.21	58	0.04	0.16	1.3
152	144	Dun & Bradstreet	189.5	70 –17⅛	63½	10.29	0.16	6.75	9	2.11	1.88	3.0
153	81	SCOA Industries	189.1	33⅞– 7	24¾	10.88	0.44	2.24	11	0.29	0.76	3.1
154	129	McGraw-Hill	189.0	53⅞–12⅛	41	12.27	0.30	2.78	15	1.51	1.24	3.0
155	260	DeSoto	188.4	37¼–10¼	34¼	23.20	0.68	3.52	10	0.50	1.40	4.1
156	58	Natl Medical Enterprises	187.4	32⅜– 6½	21⅜	11.02	0.52	1.82	12	0.69	0.52	2.4
157	143	Natl Service Industries	186.8	28⅞– 8¼	27¼	15.18	0.56	2.50	11	0.62	0.88	3.2
158	158	Republic New York	186.7	50 –12⅛	37	35.77	0.97	5.51	7	0.46	1.60	4.3
159	165	Albertson's	185.9	30¼– 8¼	27¼	11.93	0.44	2.33	12	0.20	0.68	2.5
160	37	Federal Express	185.3	48½– 9¾	33¼	15.44	0.46	2.07	16	0.98	none	0.0
161	273	Cluett, Peabody	184.6	32¼– 7⅛	27¾	26.02	0.94	3.37	8	0.25	1.00	3.6
162	*	Rykoff-Sexton	184.6	18⅞– 4⅜	17¼	11.50	0.67	1.51	11	0.13	0.50	2.9
163	255	Melville	184.5	47⅝–11¾	39⅛	15.78	0.40	3.48	11	0.48	1.32	3.4
164	9	Financial Corp of Amer	184.5	32¾– 1½	8	18.17	2.27	–1.09	def	0.11	0.20	2.5
165	252	Alexander & Baldwin	182.5	39¼– 9⅜	37⅛	21.51	0.58	3.49	11	1.52	1.20	3.2
166	115	Seagram	179.0	40 –11	37¾	30.95	0.82	4.29	9	1.88	0.80	2.1
167	382	CoreStates Financial	178.4	41⅞–11¾	40⅜	33.12	0.82	6.03	7	0.58	2.08	5.2
168	277	Shawmut	177.3	33⅞–10⅞	30½	31.53	1.03	4.34	7	0.48	1.68	5.5
169	85	EG&G	176.2	38⅛–11¼	33¾	7.12	0.21	1.80	19	0.88	0.48	1.4
170	183	North American Philips	175.7	39¾–11¾	36⅞	30.79	0.83	4.39	8	0.25	1.00	2.7
171	191	G C Murphy	173.5	43 – 9⅝	40	36.97	0.92	4.51	9	0.18	1.40	3.5
172	71	Levitz Furniture	173.2	47½– 9	36⅜	19.16	0.53	4.01	9	0.41	0.72	2.0
173	258	United Virginia Bankshrs	172.3	34⅜–10½	34⅜	26.75	0.78	4.50	8	0.64	1.44	4.2
174	270	Bankers Trust New York	170.6	55⅜–18	54⅛	55.29	1.02	9.26	6	0.37	2.70	5.0
175	147	Kelly Services	170.3	26 – 7¾	25	6.91	0.28	1.95	13	0.46	0.64	2.6
176	116	Hospital Corp of Amer	168.9	56⅜–13⅜	40	18.23	0.46	3.24	12	1.03	0.50	1.3
177	461	Kellwood	168.5	43¼– 8⅛	24½	28.31	1.16	4.23	6	0.12	1.00	4.1
178	105	Associated Dry Goods	168.5	71½–17⅛	56⅜	50.73	0.90	6.11	9	0.22	2.60	4.6
179	309	McDonald's	168.0	55⅞–16⅛	51¾	19.73	0.38	4.26	12	1.39	0.82	1.6
180	314	Bank of New England	167.1	65 –17½	54¾	55.24	1.01	8.36	7	0.32	2.84	5.2
181	145	Curtice-Burns	166.7	28 – 6⅜	27	15.27	0.57	2.87	9	0.15	0.80	3.0
182	284	Bristol-Myers	166.2	50⅜–15¼	49¼	13.89	0.28	3.35	15	1.63	1.60	3.2
183	*	BayBanks	166.1	42½–12⅜	42¼	40.81	0.97	5.50	8	0.50	2.20	5.2
184	299	Northrop	165.8	39½–11	36⅜	12.62	0.35	3.28	11	0.49	1.20	3.3
185	380	Maryland National	165.6	42½–12½	42½	42.17	0.99	5.63	8	0.49	1.60	3.8
186	262	Reichhold Chemicals	165.3	38⅞– 9⅜	31½	26.37	0.84	3.52	9	0.29	0.80	2.5
187	189	Banc One	164.0	28¼– 6¾	24¼	14.80	0.61	2.80	9	0.90	1.00	4.1
188	353	Midlantic Banks	163.2	26 – 7½	25½	21.26	0.83	4.01	6	0.60	1.12	4.4
189	90	Super Valu Stores	162.8	37 – 9	31⅜	10.41	0.33	2.16	15	0.18	0.68	2.2

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
190	30	Stone Container	160.6%	45 – 9⅜	32	$19.72	0.62	$1.33	24	0.36	$0.60	1.9%
191	45	Avnet	160.3	50 – 9⅞	30½	17.08	0.56	2.47	12	0.63	0.50	1.6
192	310	Robertshaw Controls	160.1	35⅞– 9¾	29½	22.19	0.75	4.36	7	0.38	1.12	3.8
193	289	Cullum Companies	158.1	20 – 5⅞	17½	11.45	0.65	1.73	10	0.11	0.56	3.2
194	159	Allied Bancshares	157.2	27⅜– 7⅜	23⅝	11.74	0.50	2.79	8	0.97	0.84	3.6
195	501	Harcourt Brace	156.0	44¼–12½	41⅛	20.19	0.49	3.59	11	0.56	1.00	2.4
196	275	Quaker Oats	155.1	36¾–12⅛	36¼	17.79	0.49	3.29	11	0.42	1.24	3.4
197	205	Westinghouse Electric	154.7	28⅜– 9½	25⅝	19.48	0.76	2.91	9	0.45	1.00	3.9
198	221	Fort Howard Paper	154.6	63½–17⅞	57¾	23.95	0.41	4.16	14	1.41	1.64	2.8
199	11	Anixter Bros	154.2	29 – 5⅛	15¼	10.53	0.69	0.82	19	0.46	0.28	1.8
200	569	Scott & Fetzer	153.8	59 –17¼	57¾	32.46	0.56	5.98	10	0.54	1.80	3.1
201	386	Consolidated Foods	152.9	34⅞– 9⅞	32⅞	17.32	0.53	3.32	10	0.25	1.44	4.4
202	238	Morton Thiokol	152.3	31⅜– 7⅛	27¾	12.52	0.45	2.27	12	0.69	0.64	2.3
203	192	H H Robertson	150.4	48½–13¾	37⅞	29.87	0.79	2.51	15	0.37	1.60	4.2
204	91	Piedmont Aviation	150.1	42⅛– 8⅞	31½	26.61	0.84	4.65	7	0.27	0.28	0.9
205	550	Palm Beach	149.6	38⅜–13	38⅜	24.71	0.64	3.93	10	0.30	1.20	3.1
206	535	Consolidated Papers	148.6	35 –11⅜	33⅞	16.69	0.49	3.33	10	1.11	1.28	3.8
207	435	Pillsbury	148.6	44⅜–13½	43½	24.22	0.56	4.01	11	0.44	1.56	3.6
208	335	May Department Stores	148.4	42½–12	39¾	26.79	0.67	4.73	8	0.37	1.72	4.3
209	104	Rohm & Haas	147.3	81 –16⅜	59½	35.05	0.59	6.81	9	0.74	2.00	3.4
210	231	Ryder System	147.1	59⅝–13¾	52½	27.95	0.53	5.64	9	0.45	1.08	2.1
211	141	Rockwell International	147.0	35½–11	29⅞	15.13	0.51	3.25	9	0.48	1.00	3.3
212	213	General Re	146.4	73 –18¾	59¾	29.19	0.49	2.87	21	1.53	1.44	2.4
213	402	NCNB	145.9	35¼–10	33½	23.55	0.70	3.98	8	0.66	1.32	3.9
214	131	Sonoco Products	145.8	47½–12¾	40¼	21.70	0.54	3.79	11	0.60	1.28	3.2
215	686	GAF	145.7	25¾– 7¾	24⅞	7.04	0.28	–0.73	def	0.49	0.10	0.4
216	553	United Merchants & Mfrs	143.8	15⅝– 3½	14⅝	19.86	1.36	1.78	8	0.20	none	0.0
217	318	Cummins Engine	143.5	88¼–25⅞	75½	53.40	0.71	19.02	4	0.32	2.20	2.9
218	*	Huntington Bancshares	142.2	33¾–10⅝	33¾	29.48	0.87	4.35	8	0.47	1.48	4.4
219	367	Borden	141.9	63½–19⅝	57¾	49.65	0.86	6.96	8	0.33	2.72	4.7

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
220	124	**Grumman**	140.9%	33⅝– 8⅞	26½	$16.08	0.61	$3.79	7	0.31	$1.00	3.8%
221	98	**Jerrico**	140.7	23½– 5¼	17¾	11.46	0.65	1.32	13	0.55	0.12	0.7
222	136	**Hanover Insurance Cos**	140.0	32⅛– 9⅜	27¾	31.99	1.15	2.11	13	0.42	0.56	2.0
223	257	**Colt Industries**	139.9	57 –17⅝	52⅝	19.65	0.37	5.61	9	0.67	2.50	4.8
224	216	**PPG Industries**	139.0	38 –13	34½	26.41	0.77	4.37	8	0.58	1.44	4.2
225	155	**Borg-Warner**	138.3	27¾– 7½	21⅜	17.19	0.80	2.28	9	0.49	0.92	4.3
226	*	**Phibro-Salomon**	137.5‡	40⅝–10	30⅞	15.73	0.51	3.25	10	0.15	0.54	1.7
227	181	**Big V Supermarkets**	137.1	16⅝– 2⅞	10	7.32	0.73	0.42	24	0.10	0.40	4.0
228	156	**Tyco Laboratories**	136.0	37⅞–10	33⅝	18.02	0.54	3.67	9	0.50	0.80	2.4
229	276	**Zenith Electronics**	135.9	38⅝– 7⅞	23	17.08	0.74	2.99	8	0.32	none	0.0
230	340	**Gerber Products**	135.7	32 – 8	24¾	15.73	0.64	2.56	10	0.56	1.16	4.7
231	184	**Circle K**	135.1	33¾– 8	31	7.90	0.25	2.11	15	0.30	0.74	2.4
232	265	**Monfort of Colorado**	133.9	20⅞– 3⅜	17¼	14.73	0.85	3.48	5	0.05	none	0.0
233	21	**Varian Associates**	133.9	63⅜–10½	35⅜	16.93	0.48	2.72	13	0.83	0.26	0.7
234	580	**Laclede Gas**	133.3	23½– 7½	22¾	16.35	0.72	3.29	7	0.29	1.70	7.5
235	389	**Mohasco**	132.9	25½– 7	21¼	30.40	1.43	2.42	9	0.20	0.40	1.9
236	*	**Media General**	132.7	65¾–20⅞	60½	35.28	0.58	5.42	11	0.79	1.08	1.8
237	326	**American Express**	132.6	49⅝–12¼	34¾	18.94	0.55	1.92	18	0.63	1.28	3.7
238	112	**PHH Group**	132.4	47 – 9½	25⅛	13.41	0.53	2.35	11	0.72	0.88	3.5
239	201	**Pioneer Hi-Bred Intl**	131.8	33¾– 9⅝	31	11.03	0.36	2.17	14	1.38	0.80	2.6
240	287	**Whirlpool**	131.3	57 –14⅝	43⅜	26.76	0.62	5 16	8	0.51	2.00	4.6
241	396	**Arvin Industries**	131.3	20⅛– 6½	18½	16.07	0.87	2.53	7	0.28	0.80	4.3
242	210	**A H Robins**	131.0	29⅜– 6⅝	20½	14.69	0.72	1.39	15	0.84	0.76	3.7
243	379	**Consolidated Edison**	129.9	30¼– 9¾	27⅞	28.41	1.02	4.41	6	0.63	2.12	7.6
244	447	**First Natl State Bancorp**	129.7	46⅞–15⅞	45⅜	45.32	1.00	6.78	7	0.46	2.88	6.3
245	148	**SEDCO**	129.1	49 –17¼	44¼	19.16	0.43	5.13	9	1.92	0.58	1.3
246	166	**Holiday Inns**	128.5	59 –13¾	41⅛	26.69	0.65	3.42	12	0.85	0.90	2.2
247	142	**AMP**	128.4	39½–11	30⅝	7.44	0.24	1.92	16	1.82	0.64	2.1
248	167	**Hewlett Packard**	128.3	48¼–12¾	33¾	11.32	0.34	2.59	13	1.43	0.22	0.7
249	329	**Kimberly-Clark**	128.2	49½–18⅞	46½	32.81	0.71	4.64	10	0.60	2.20	4.7

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Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
250	195	**Ceco Industries**	127.6%	26 – 8⅛	20⅛	$28.42	1.41	$2.18	9	0.17	$0.76	3.8%
251	163	**Revco D S**	127.5	37½– 9⅛	26⅞	12.21	0.45	2.52	11	0.43	0.80	3.0
252	317	**General Electric**	126.7	59⅜–22	57⅜	24.78	0.43	4.86	12	0.95	2.20	3.8
253	544	**Campbell Soup**	126.3	71 –25¼	67⅞	39.05	0.58	5.93	11	0.60	2.50	3.7
254	436	**Philip Morris**	126.0	82⅛–29⅛	81⅜	32.27	0.40	8.07	10	0.99	3.40	4.2
255	308	**Security Pacific**	125.6	55⅜–18½	52⅞	48.38	0.91	7.66	7	0.38	2.44	4.6
256	432	**Amer District Telegraph**	125.0	32⅝– 7¼	22½	16.66	0.74	1.02	22	0.58	0.92	4.1
257	362	**Universal Leaf Tobacco**	124.2	22 – 7¾	20⅞	13.49	0.65	2.50	8	0.35	0.92	4.4
258	339	**Illinois Tool Works**	124.0	29⅞–10⅛	28	13.62	0.49	2.23	13	1.23	0.64	2.3
259	288	**Std Commercial Tobacco**	122.0	27¼– 6⅛	17	24.14	1.42	3.52	5	0.11	0.50	2.9
260	350	**Vulcan Materials**	120.7	73¾–30½	72	39.90	0.55	6.83	11	0.87	2.44	3.4
261	*	**Prime Computer**	120.3	32⅞– 6	16¼	5.63	0.35	1.15	14	1.26	none	0.0
262	208	**Pitney Bowes**	120.3	36½–10¾	35¼	15.70	0.45	3.38	10	0.74	1.04	3.0
263	534	**Hoover Universal**	119.5	29½– 8⅛	23¼	14.34	0.62	2.61	9	0.38	0.50	2.2
264	500	**FMC**	119.2	62 –21⅜	57	41.84	0.73	6.91	8	0.39	2.20	3.9
265	510	**IC Industries**	119.2	27¼– 8½	27⅛	33.49	1.23	3.64	7	0.28	1.30	4.8
266	559	**Wetterau**	118.5	26 – 9⅜	25⅛	14.75	0.59	2.26	11	0.09	0.88	3.5
267	268	**Consol Freightways**	118.2	30⅝– 9	27	20.00	0.74	2.65	10	0.46	1.00	3.7
268	716	**National Fuel Gas**	118.0	29⅛– 9⅜	28¾	46.00	1.60	4.10	7	0.30	1.88	6.5
269	648	**Ford Motor**	117.9	51⅜–10½	46½	41.23	0.89	16.19	3	0.17	1.60	3.4
270	135	**General Dynamics**	117.4	69¾–18¾	65¾	23.91	0.36	7.23	9	0.40	1.00	1.5
271	378	**Figgie Intl Holdings**	116.9	27⅛– 8½	22½	30.44	1.35	3.38	7	0.18	0.68	3.0
272	194	**Dover**	116.5	40 –15⅜	34⅜	14.06	0.41	2.80	12	1.03	0.82	2.4
273	361	**CBT**	116.5	38 –12⅜	32¾	34.07	1.04	4.79	7	0.41	1.80	5.5
274	399	**Hammermill Paper**	116.1	55⅜–19⅞	45⅜	45.47	1.00	6.00	8	0.23	2.04	4.5
275	185	**West Point-Pepperell**	115.5	54⅞–14⅛	38¼	41.11	1.07	5.40	7	0.29	2.20	5.8
276	230	**Roadway Services**	115.1	37⅛–11	28½	13.12	0.46	2.45	12	0.82	1.00	3.5
277	229	**Bell & Howell**	114.8	30½– 8¼	25⅜	21.46	0.85	2.91	9	0.20	0.56	2.2
278	175	**Masco**	114.7††	37 – 9⅞	27⅜	12.32	0.45	2.20	12	1.44	0.56	2.0
279	473	**Questar**	114.4	34¼–12⅜	31¾	19.64	0.62	3.15	10	0.86	1.60	5.0
280	606	**Potomac Electric Power**	114.1	25¼–10	24⅝	18.80	0.76	3.18	8	0.99	1.94	7.9
281	246	**Times Mirror**	113.7	45⅝–14⅜	39	16.31	0.42	3.36	12	0.98	1.36	3.5
282	296	**Allied Stores**	113.1	56½–18¾	50⅞	46.00	0.90	6.17	8	0.27	2.00	3.9
283	347	**Bank of Boston**	113.0	47⅜–16½	40⅞	53.27	1.30	6.40	6	0.26	2.40	5.9
284	601	**Capital Holding**	112.7	44 –16	42	33.00	0.79	4.54	9	0.62	1.54	3.7
285	297	**Knight-Ridder Newspapers**	112.5	31 – 9½	27⅜	12.59	0.46	2.06	13	1.10	0.64	2.3
286	217	**Amer Medical Intl**	112.3	37¼– 9¼	21½	9.73	0.45	1.64	13	0.89	0.60	2.8
287	372	**Gannett**	112.3	48⅜–17⅜	45¼	12.78	0.28	2.63	17	1.94	1.48	3.3
288	338	**Amer International Grp**	112.2	77½–26	67⅜	35.24	0.52	5.11	13	1.17	0.44	0.7
289	240	**Martin Marietta**	112.1	46⅜–14⅞	43⅞	21.25	0.48	–5.72	def	0.35	1.34	3.1
290	462	**Interpublic Group**	112.0	36 –12¾	35⅜	14.68	0.41	3.00	12	0.61	1.00	2.8
291	304	**Federal-Mogul**	111.6	37½–12½	34⅛	22.47	0.66	3.49	10	0.51	1.52	4.5
292	465	**Gillette**	111.4	57½–17⅝	55¾	24.65	0.44	5.15	11	0.76	2.44	4.4
293	282	**City Investing**	110.4	44½–14½	37⅞	32.10	0.85	0.91	42	0.23	2.00	5.3
294	330	**Yellow Freight System**	110.3	48¼–10⅞	30½	17.55	0.58	3.11	10	0.33	1.00	3.3
295	293	**Hoover**	110.0	28½– 8⅝	26¼	14.58	0.56	2.73	10	0.48	1.00	3.8
296	*	**Primark**	109.9‡	35¾–14	33¼	37.02	1.11	5.95	6	0.14	2.00	6.0
297	34	**Sanders Associates**	109.9	60¼–16	37¼	16.58	0.45	2.25	17	0.95	0.56	1.5
298	704	**ARA Services**	109.0	70⅜–23½	70	46.16	0.66	5.19	13	0.25	2.10	3.0
299	*	**Norstar Bancorp**	108.9	36⅞–14⅝	33⅞	30.87	0.91	4.67	7	0.81	2.20	6.5
300	321	**Auto Data Processing**	108.6	44½–16¼	36½	13.50	0.37	2.19	17	1.39	0.62	1.7
301	302	**Ethyl**	107.8	30⅜– 9	30	21.13	0.70	3.19	9	0.66	0.85	2.8
302	474	**General Mills**	107.0	60 –19	51¾	27.05	0.52	4.66	11	0.42	2.24	4.3
303	87	**Payless Cashways**	106.7	34½– 5¼	15⅜	7.60	0.49	1.24	12	0.50	0.16	1.0
304	661	**Emhart**	106.4	31⅝–10⅝	29⅜	18.52	0.63	3.38	9	0.45	1.40	4.8
305	202	**Abbott Laboratories**	106.1	53⅜–17⅛	42⅜	11.70	0.28	3.20	13	1.68	1.20	2.8
306	560	**Genuine Parts**	104.8	33¾–12½	32¼	11.72	0.36	2.14	15	0.77	1.02	3.2
307	561	**Kellogg**	104.6	39¼–15⅝	38⅜	12.78	0.33	3.24	12	1.17	1.76	4.6
308	272	**American General**	104.1	26¼– 8¼	24⅞	24.04	0.97	2.71	9	0.33	0.90	3.6
309	626	**Wisconsin Elec Power**	103.3	33⅜–12⅝	31	25.19	0.81	4.41	7	0.74	2.28	7.4
310	391	**R J Reynolds Industries**	102.6††	69⅞–27	68⅞	37.70	0.55	7.20	10	0.72	3.40	4.9
311	278	**Harvey Hubbell**	102.3	37¼–12⅛	32⅞	18.99	0.58	3.27	10	0.83	1.36	4.1
312	568	**Stanadyne**	102.2	25¼– 9⅜	23½	16.78	0.71	3.61	7	0.48	1.00	4.3
313	149	**Motorola**	101.8	49⅞–13⅜	34⅜	16.47	0.48	3.33	10	0.77	0.64	1.9

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
314	445	**United States Gypsum**	101.6%	65¼–25¾	63½	$43.88	0.69	$10.47	6	0.49	$3.00	4.7%
315	409	**Old Republic Intl**	101.1	37⅝– 9¾	33	26.25	0.80	4.75	7	0.70	0.88	2.7
316	373	**Kroger**	100.7	47¼–14	38⅛	23.98	0.63	3.16	12	0.11	2.00	5.2
317	529	**Consol Natural Gas**	100.6	40¾–18⅞	40¾	31.58	0.77	5.12	8	0.46	2.32	5.7
318	813	**Data General**	100.0	59½–10⅛	54⅞	20.71	0.38	3.08	18	1.14	none	0.0
319	245	**Wyman-Gordon**	100.0	37¼–13	27	16.69	0.62	2.22	12	1.26	0.80	3.0
320	403	**J C Penney**	99.5	67⅞–19⅝	52⅛	47.93	0.92	6.39	8	0.29	2.36	4.5
321	352	**Eaton**	99.0	56½–20¼	51	30.39	0.60	7.19	7	0.50	1.20	2.4
322	153	**Ametek**	99.0	30¼– 9¼	23⅞	8.09	0.34	1.92	12	1.04	0.80	3.4
323	519	**Emerson Electric**	98.2	71¾–29½	69⅝	24.83	0.36	5.10	14	1.14	2.60	3.7
324	346	**Sun Banks**	98.2	29½–10¾	27¾	23.36	0.84	3.18	9	0.66	1.20	4.3
325	385	**So New England Tel**	97.8	40 –14¾	33⅝	28.60	0.85	4.10	8	0.80	2.72	8.1
326	294	**Pfizer**	97.5	44¾–16	38¾	13.66	0.35	3.02	13	1.61	1.32	3.4
327	244	**Shell Oil**	97.2	65½–25	53½	36.76	0.69	5.62	10	0.80	2.00	3.7
328	522	**Chemical New York**	96.2	37½–14¾	32	43.75	1.37	6.20	5	0.27	2.36	7.4
329	471	**Delta Air Lines**	96.2	51 –15½	38⅜	26.38	0.69	5.67	7	0.35	0.60	1.6
330	647	**Dart & Kraft**	95.7†	85⅞–39¾	85⅛	53.31	0.63	8.59	10	0.41	4.24	5.0
331	440	**Texas American Bancshrs**	95.7	45¾–15¾	36⅝	32.76	0.89	3.95	9	0.60	1.52	4.2
332	437	**Great Atl & Pacific Tea**	95.7	18 – 3½	16⅞	10.02	0.59	1.01	17	0.11	none	0.0
333	333	**Texas Commerce Bancshrs**	95.5	48¼–20⅜	43	31.64	0.74	5.62	8	0.71	1.56	3.6
334	417	**Goodyear**	94.2	36⅞–10¾	25	28.61	1.14	3.94	6	0.26	1.60	6.4
335	763	**Jefferson-Pilot**	93.8	39⅞–14¾	38¾	31.80	0.82	3.86	10	1.31	1.32	3.4
336	397	**Unocal**	93.3	56½–21	43¼	29.82	0.69	4.17	10	0.71	1.00	2.3
337	463	**Owens-Illinois**	93.2	46¼–18¼	39⅛	39.35	1.01	4.82	8	0.33	1.68	4.3
338	523	**Nash Finch**	92.9	22 – 8	18	18.34	1.02	2.33	8	0.08	1.00	5.6
339	369	**Insilco**	92.8	25½– 8	18½	14.94	0.81	1.89	10	0.41	1.00	5.4
340	607	**Kansas Power & Light**	92.1	35¼–14½	33⅜	27.18	0.81	5.07	7	0.36	2.76	8.3
341	323	**Dennison Manufacturing**	91.7	26 –10⅜	23	14.45	0.63	2.23	10	0.49	1.20	5.2
342	384	**TRW**	91.5	82 –34½	73½	43.26	0.59	6.96	11	0.46	3.00	4.1
343	538	**Libbey-Owens-Ford**	91.2	50 –19⅝	46⅜	35.06	0.76	5.81	8	0.32	1.32	2.8
344	203	**Dorsey**	91.2	44⅝–12⅜	27¼	25.43	0.93	2.38	11	0.20	1.20	4.4
345	712	**Interstate Bakeries**	91.0	16⅜– 4½	16	12.76	0.80	−2.75	def	0.11	none	0.0
346	567	**IBM**	90.7	134¼–48⅜	122¾	38.01	0.31	10.28	12	1.69	4.40	3.6
347	646	**Northern Trust**	90.2	64 –27¾	63¼	70.61	1.12	3.83	17	0.42	2.72	4.3
348	507	**Firestone Tire & Rubber**	90.1	23⅞– 6⅛	16⅞	26.65	1.58	2.19	8	0.18	0.80	4.7
349	649	**Mercantile Bancorp**	89.8	31¾–13⅝	31½	35.54	1.13	4.71	7	0.53	1.92	6.1
350	426	**Chubb**	89.4	53 –19⅞	48	42.20	0.88	2.85	17	0.52	2.20	4.6
351	411	**Carson Pirie Scott**	89.1	44¾–12¾	36⅞	35.42	0.96	2.27	16	0.17	1.20	3.3
352	*	**Wilson Foods**	88.9‡	14⅝– 4⅛	10⅝	6.91	0.65	−1.21	def	0.03	none	0.0
353	475	**Bank of New York**	88.7	34⅝–13⅜	33½	38.10	1.14	6.17	5	0.34	2.04	6.1
354	313	**Lear Siegler**	88.6	49½–18⅛	43⅜	30.90	0.71	5.03	9	0.37	1.80	4.1
354	442	**SCM**	88.6	43½–16⅝	43⅜	54.32	1.25	4.85	9	0.21	2.00	4.6
356	401	**Westvaco**	88.4	42 –16½	38½	29.39	0.76	4.60	8	0.61	1.32	3.4
357	311	**Gulf & Western Inds**	88.2	35 –11⅛	27⅞	26.01	0.93	3.57	8	0.47	0.90	3.2
358	505	**McDonnell Douglas**	88.0	73¾–22½	68⅝	53.50	0.78	7.89	9	0.30	1.62	2.4
359	439	**Travelers**	87.5	38¼–16½	35¾	36.52	1.02	3.96	9	0.23	1.92	5.4
360	387	**Maytag**	87.4	57¾–21½	46⅝	15.98	0.34	4.58	10	1.00	3.10	6.6
361	138	**Allied Supermarkets**	86.4	4⅞– 1	2½	7.23	2.82	0.00	NM	0.03	none	0.0
362	812	**St Regis**	86.4	59⅜–17½	56⅜	40.02	0.71	3.57	16	0.56	1.12	2.0
363	518	**Allegheny Power System**	86.3	29½–12⅛	28⅞	23.70	0.82	3.64	8	0.82	2.70	9.4
364	359	**Avondale Mills**	86.3	25⅞– 6¾	15¼	23.37	1.53	3.12	5	0.20	0.80	5.2
365	759	**Atlanta Gas Light**	86.1	29 –12⅝	26¾	29.34	1.10	4.50	6	0.14	2.52	9.4
366	*	**Peoples Energy**	85.9‡	15½– 7	14⅞	11.88	0.80	2.07	7	0.28	1.06	7.1
367	348	**American Brands**	85.6	65⅛–29¼	63	36.90	0.59	7.16	9	0.77	3.75	6.0
368	490	**Winn-Dixie Stores**	85.6	37⅜–14⅛	30½	14.86	0.49	2.85	11	0.17	1.68	5.5
369	847	**UAL**	85.5	45 –13½	41½	40.33	0.97	6.73	6	0.21	0.50	1.2
370	162	**Todd Shipyards**	84.8	41¾–14	33½	30.27	0.90	5.25	6	0.24	1.32	3.9
371	429	**Bemis**	84.5	27 –10½	25⅜	24.85	0.98	2.32	11	0.22	0.88	3.5
372	596	**Northern States Power**	84.4	44¼–18	41¼	34.17	0.83	5.89	7	0.72	3.24	7.9
373	542	**Farmers Group**	84.3	49⅞–23	49¾	27.04	0.54	4.56	11	1.94	1.52	3.1
374	777	**Coca-Cola**	83.7	66 –28⅞	63⅜	21.42	0.34	4.67	14	1.15	2.76	4.4
375	*	**Swift Independent**	83.7‡	37¾– 8⅞	22½	23.52	1.05	2.86	8	0.04	1.20	5.3
376	322	**Combined International**	83.7	43½–16⅛	35⅛	22.98	0.65	3.95	9	0.77	2.08	5.9
377	209	**Shaklee**	83.5	42¼– 6½	13⅞	12.00	0.86	1.01	14	0.39	0.72	5.2

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
378	589	**Wisconsin Public Service**	83.5%	32¾–13⅝	31⅞	$25.38	0.80	$4.32	7	0.58	$2.56	8.0%
379	502	**Lincoln National**	83.4	41½–16⅝	40⅛	35.82	0.89	4.07	10	0.40	1.84	4.6
380	465	**Amer National Insurance**	83.3	30⅜–10⅝	28⅞	31.82	1.10	3.20	9	1.12	1.08	3.7
381	227	**Service Merchandise**	83.2	26¾– 3¾	12¼	8.36	0.68	1.48	8	0.23	0.08	0.7
382	611	**So California Edison**	82.7	24⅜–10	22⅝	18.82	0.84	3.17	7	0.98	2.04	9.1
383	452	**Household International**	82.1	34¼–13⅝	33	28.38	0.86	4.10	8	0.20	1.75	5.3
384	460	**Southeast Banking**	81.7	27⅞–12½	26⅛	25.75	0.99	3.27	8	0.42	1.08	4.1
385	486	**American Home Products**	81.7	55¾–21⅜	49½	13.09	0.26	4.33	11	1.51	2.64	5.3
386	506	**Federated Dept Stores**	81.4	69 –21¼	50⅛	48.01	0.96	6.18	8	0.26	2.40	4.8
387	848	**Dominion Resources**	81.0	29¼–13⅜	28½	28.01	0.98	3.55	8	0.92	2.72	9.5
388	511	**Irving Bank**	80.9	34⅛–15	30¾	42.23	1.37	5.24	6	0.26	1.84	6.0
389	480	**Armstrong World Inds**	80.3	33¾–12⅝	29¾	24.55	0.83	3.52	8	0.46	1.20	4.0
390	701	**Orange & Rockland Utils**	80.2	24⅛–10⅝	22¾	19.70	0.87	2.85	8	0.53	2.04	9.0
391	455	**Parker-Hannifin**	79.9	37 –14⅞	33⅝	19.33	0.57	3.02	11	0.66	1.12	3.3
392	253	**Alco Standard**	79.8	40⅛–12¾	29	19.43	0.67	2.85	10	0.19	1.20	4.1
393	680	**Manufacturers National**	79.8	45½–11¾	44½	57.61	1.29	7.02	6	0.38	2.00	4.5
394	374	**CNA Financial**	79.7	32 –10¼	28¾	23.54	0.82	2.98	10	0.46	none	0.0
395	674	**PepsiCo**	78.9	50 –20	44½	19.17	0.43	2.12	21	0.50	1.68	3.8
396	602	**Florida Power & Light**	76.5	45⅜–19⅞	44⅛	38.94	0.88	4.88	9	0.67	3.76	8.5
397	526	**Tyler**	76.4	31½–10⅛	27⅛	18.17	0.67	3.70	7	0.22	0.70	2.6
398	743	**Federal Co**	76.4	35⅛–13	32⅝	27.55	0.84	5.36	6	0.20	1.64	5.0
399	256	**Cabot**	76.2	36⅝–14⅝	26⅞	20.98	0.78	3.02	9	0.49	0.92	3.4
400	*	**Arkansas Best**	76.1	27½– 6⅝	15⅝	13.29	0.85	2.39	7	0.15	0.40	2.6
401	732	**Baltimore Gas & Elec**	75.7	39⅝–18⅜	38⅞	34.09	0.88	5.73	7	0.87	3.20	8.2
402	197	**Golden West Financial**	75.4	30½– 4½	18¾	11.34	0.60	3.78	5	0.39	0.20	1.1
403	377	**Scott Paper**	75.3	34⅞–13⅝	32	30.59	0.96	3.52	9	0.60	1.12	3.5
404	176	**Life Investors**	75.0	41¾–15½	40¾	28.33	0.70	3.35	12	0.56	0.24	0.6
405	*	**Church's Fried Chicken**	74.9	33½–16¾	28⅛	12.71	0.45	1.81	16	1.04	0.80	2.8
406	752	**Society**	74.7	34¼–14¼	33⅝	41.38	1.23	5.23	6	0.54	1.70	5.1
407	316	**PACCAR**	74.5	59½–18⅞	44	33.33	0.76	5.98	7	0.37	1.20	2.7
408	838	**Petrie Stores**	74.4	40 –15½	34	14.11	0.42	2.37	14	0.98	1.40	4.1
409	404	**Sears, Roebuck**	73.6	45⅛–14⅜	31¼	27.60	0.88	3.93	8	0.29	1.76	5.6
410	722	**Wells Fargo**	73.5	47¾–18¼	46⅝	50.15	1.08	6.48	7	0.31	2.16	4.6
411	215	**Morrison-Knudsen**	72.7	46½–15¾	30⅞	32.74	1.06	4.02	8	0.15	1.40	4.5
412	281	**Springs Industries**	72.7	45 –12¾	32⅜	47.50	1.47	4.64	7	0.30	1.52	4.7
413	607	**Rainier Bancorporation**	72.5	47⅛–17⅜	47	40.71	0.87	6.10	8	0.58	1.76	3.7
414	259	**Hilton Hotels**	72.3	60¼–25½	54½	23.73	0.44	3.50	16	2.15	1.80	3.3
415	597	**Pacific Lighting**	71.9	39¼–17	38¼	34.73	0.91	3.46	11	0.28	3.32	8.7
416	482	**Kaufman & Broad**	71.4	25¼– 6½	16½	13.20	0.80	1.47	11	0.34	0.40	2.4
416	101	**M/A-Com**	71.4	35½– 9⅞	18	9.08	0.50	0.90	20	1.01	0.22	1.2
416	600	**Union Camp**	71.4	43⅝–18⅜	36	24.55	0.68	3.76	10	0.91	1.64	4.6
419	614	**GenCorp**	71.3	39⅛–11¼	32⅞	43.85	1.33	2.81	12	0.31	1.50	4.6
420	735	**AmeriTrust**	70.8	55½–23	55½	67.50	1.22	7.11	8	0.82	2.88	5.2
421	885	**Talley Industries**	70.3	15⅝– 3⅜	13⅝	9.41	0.69	1.25	11	0.29	none	0.0
422	629	**General Foods**	70.3	59⅞–23½	57¼	39.15	0.68	6.91	8	0.33	2.50	4.4
423	700	**Provident Life & Acc**	70.2	83 –32½	80	73.62	0.92	10.63	8	0.56	2.88	3.6
424	543	**United Technologies**	69.8	41⅝–15⅝	36½	27.21	0.75	4.83	8	0.28	1.40	3.8
425	698	**Colgate-Palmolive**	69.6	26½–11	24⅜	16.20	0.66	2.37	10	0.41	1.28	5.3
426	593	**Olin**	69.4	34 –12½	30½	35.37	1.16	3.78	8	0.35	1.50	4.9
427	809	**Warner Lambert**	69.4	36¾–17	33⅞	17.75	0.52	2.77	12	0.86	1.48	4.4
428	319	**George A Hormel**	69.3	35 –13⅜	29	27.48	0.95	3.07	9	0.19	1.08	3.7
429	*	**Nabisco Brands**	69.1‡	54 –25⅜	52⅝	26.91	0.51	4.79	11	0.51	2.48	4.7
430	*	**Rorer Group**	68.8	34¼–14⅛	29⅛	10.43	0.36	1.08	14	1.21	1.08	3.7
431	446	**McCormick**	68.6	35½–16	32⅞	17.24	0.52	4.98	7	0.53	0.88	2.7
432	418	**Worthington Industries**	68.5	29 – 9⅜	22¾	9.58	0.42	1.81	13	0.67	0.56	2.5
433	639	**Northwest Industries**	68.5	80½–24¾	58¾	30.47	0.52	–1.72	def	0.64	2.68	4.6
434	576	**Foodarama Supermarkets**	68.4	10⅜– 3	8	16.49	2.06	–1.02	def	0.02	none	0.0
435	496	**Square D**	68.3	41½–17⅜	39⅛	17.70	0.45	3.70	11	0.83	1.84	4.7
436	540	**Chesebrough-Pond's**	68.2	47¼–19⅛	37	18.26	0.49	3.18	12	0.70	1.92	5.2
437	721	**Southwestern Public Svc**	68.0	22 – 9½	20⅜	12.99	0.64	2.57	8	0.99	1.88	9.2
438	785	**Hawaiian Electric Inds**	67.7	21¼– 9⅛	20⅛	19.26	0.96	2.45	8	0.47	1.64	8.1
439	515	**Interlake**	67.7	51⅛–22½	41½	56.15	1.35	6.97	6	0.24	2.60	6.3
440	72	**Intel**	67.4	45¼–10⅜	28¼	10.04	0.36	1.92	15	2.06	none	0.0
441	*	**Storer Communications**	67.4	44⅛–19	40⅜	19.91	0.49	–1.90	def	1.28	0.40	1.0

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
442	692	Florida Progress	67.3%	24¼–10⅞	23⅝	$19.61	0.83	$2.74	9	0.75	$2.16	9.1%
443	371	National Gypsum	67.0	39⅜–16¼	36¾	31.31	0.85	6.35	6	0.36	1.76	4.8
444	450	Celanese	66.8	80½–39⅞	79	68.81	0.87	11.78	7	0.32	4.40	5.6
445	328	Hercules	66.7	43⅛–15⅛	34⅜	24.33	0.71	3.65	9	0.71	1.60	4.7
445	677	San Diego Gas & Elec	66.7	22⅜–10½	21⅞	18.52	0.85	3.16	7	0.73	2.10	9.6
447	520	Cyclops	66.3	39⅝–13⅝	37	46.83	1.27	3.98	9	0.12	1.10	3.0
448	694	NBD Bancorp	65.7	50 –19¾	48⅞	66.85	1.37	7.37	7	0.44	2.40	4.9
449	679	Echlin	65.3	27¼–10	25⅝	12.57	0.49	2.12	12	0.77	0.76	3.0
450	266	Witco Chemical	65.3	39½–13½	33⅝	23.06	0.69	4.27	8	0.33	1.48	4.4
451	171	Pantry Pride	65.2	7¾– 3	4¾	3.67	0.77	0.20	24	0.23	none	0.0
452	443	New England Elec System	65.0	43⅜–17¼	36½	32.28	0.88	5.80	6	0.61	3.60	9.9
453	706	Delmarva Power & Light	64.4	22¼–10¼	20¾	16.87	0.81	2.69	8	0.89	1.92	9.3
454	746	Boeing	64.3	59½–15	55½	31.33	0.56	7.83	7	0.55	1.40	2.5
455	754	Duke Power	63.8	30⅛–13¾	28¼	26.21	0.93	3.91	7	1.08	2.48	8.8
456	638	J P Morgan	63.5	86¼–39¾	75⅜	75.42	1.00	11.21	7	0.50	4.40	5.8
457	733	Minn Mining & Mfg	63.2	90½–45⅞	82	31.54	0.38	6.23	13	1.27	3.40	4.1
458	20	G Heileman Brewing	62.7	44 – 7⅛	15	9.01	0.60	1.92	8	0.34	0.50	3.3
459	795	Oklahoma Gas & Electric	62.6	22½–11½	21¾	17.93	0.82	2.59	8	0.87	2.00	9.2
460	307	Sun Chemical	62.4	33 –13¼	29⅝	21.51	0.73	1.44	20	0.27	0.48	1.6
461	758	Godfrey	62.2	15½–6¾	14¾	11.39	0.77	0.87	17	0.07	0.52	3.5
462	521	Dexter	62.0	29¼–11	22⅛	12.06	0.55	1.82	12	0.55	0.80	3.6
463	663	Wisconsin Power & Light	62.0	31⅞–14⅛	28¾	24.46	0.85	3.64	8	0.64	2.56	8.9
464	*	Northwestern Natl Life	61.8	27¼– 9¼	27	27.00	1.00	2.58	10	0.34	0.80	3.0
465	911	Mattel	61.3	31½– 4⅞	12½	−10.65	NE	−9.26	def	0.49	none	0.0
466	405	Greyhound	60.9	28 –12½	23⅛	22.49	0.97	2.01	12	0.54	1.20	5.2
467	708	Commonwealth Energy	60.5	23¾–11¾	22⅞	23.59	1.03	5.00	5	0.28	2.32	10.1
468	757	RCA	60.5	40 –15¾	35½	21.25	0.60	2.22	16	0.30	1.04	2.9
469	508	First Wisconsin	60.0	24⅜– 9¾	20	32.00	1.60	3.39	6	0.30	1.20	6.0
470	588	Mellon Bank	59.9	56½–22	44⅜	53.67	1.21	6.12	7	0.40	2.60	5.9
471	356	American Petrofina	59.2	71⅞–30⅞	60½	53.92	0.89	4.70	13	0.31	3.20	5.3
472	248	Arkla	59.2	29⅞–10⅝	20	9.87	0.49	1.20	17	0.84	1.08	5.4
473	640	Exxon	59.2	45½–24⅞	43⅞	34.79	0.79	6.87	6	0.39	3.40	7.7
474	341	Pay'n Save	59.1	28¾– 8⅜	22⅞	14.37	0.63	1.50	15	0.27	0.60	2.6
475	139	Litton Industries	59.0	86½–34½	62	47.75	0.77	7.32	8	0.56	2.00	3.2
476	562	Diversified Energies	58.4	40 –17⅛	35¼	32.62	0.93	7.21	5	0.19	2.60	7.4
476	728	Washington Gas Light	58.4	21¾– 9	17⅝	16.24	0.92	5.04	3	0.32	1.56	8.9
478	414	Safeco	58.4	35⅛–14⅞	29½	27.74	0.94	3.61	8	0.61	1.50	5.1
479	528	Great Northern Nekoosa	58.0	43¼–18½	34⅛	34.73	1.02	4.84	7	0.47	1.52	4.5
480	424	Kidde	57.9	37 –14¾	28⅛	27.47	0.98	3.45	8	0.25	1.20	4.3
481	773	Procter & Gamble	57.2	63¼–31⅜	58⅜	30.42	0.52	5.05	12	0.74	2.60	4.5
482	740	IPALCO Enterprises	57.1	33¼–17	31⅝	27.14	0.86	4.25	7	1.21	2.92	9.2
482	578	Longs Drug Stores	57.1	50⅛–22¼	44	21.14	0.48	3.57	12	0.37	1.28	2.9
484	783	Southern Company	56.5	18¾–10¼	18	17.60	0.98	3.09	6	0.72	1.92	10.7
485	696	TECO Energy	56.3	30 –13¼	27¾	22.52	0.81	3.66	8	1.04	2.20	7.9
486	771	Iowa-Illinois Gas & El	56.1	27⅝–14⅝	27⅛	25.67	0.95	3.92	7	0.58	2.60	9.6
487	643	Wm Wrigley Jr	55.6	60 –29	58¾	32.34	0.55	5.55	11	0.70	2.92	5.0
488	804	Universal Foods	55.3	31 – 9⅞	22⅛	16.79	0.76	1.71	13	0.36	1.04	4.7
489	794	Eastman Kodak	55.1	98⅛–42⅞	74⅝	45.41	0.61	5.09	15	1.18	3.75	5.0
490	458	Earle M Jorgensen	54.8	31¾–13⅞	23⅛	25.58	1.11	1.66	14	0.53	1.00	4.3
491	127	National Semiconductor	54.5	20 – 4⅜	11⅞	7.11	0.60	0.88	13	0.60	none	0.0
492	653	Scovill	54.2	32⅞–13⅞	27⅜	19.88	0.73	2.77	10	0.40	1.52	5.6
493	368	McKesson	53.9	51 –20½	39⅝	30.26	0.76	3.74	11	0.16	2.40	6.1
494	697	General Motors	53.8	82¾–33⅞	76⅞	65.05	0.85	15.62	5	0.29	5.00	6.5
495	492	MCA	53.7	46⅜–19	41⅞	23.86	0.57	2.09	20	1.31	0.88	2.1
496	622	Marsh & McLennan	53.5	56¼–26⅝	54	13.50	0.25	2.07	26	1.84	2.40	4.4
497	664	Northeast Utilities	53.4	14¾– 7⅜	14	13.83	0.99	2.76	5	0.70	1.48	10.6
498	558	Brooklyn Union Gas	53.3	35½–19	34½	30.50	0.88	4.65	7	0.34	3.00	8.7
499	358	Genesco	53.1	11⅛– 2¾	6⅛	3.04	0.50	0.86	7	0.15	none	0.0
500	641	Business Men's Assur	52.8	47¼–20½	47	47.78	1.02	5.76	8	0.62	1.94	4.1
501	334	Monsanto	52.6	58⅛–21⅛	45½	44.78	0.98	5.67	8	0.54	2.30	5.1
502	364	Burlington Industries	52.6	43 –14¾	25¾	41.63	1.62	2.18	12	0.23	1.64	6.4
503	591	Amer Broadcasting	52.2	77¼–25⅝	59¾	41.39	0.69	6.60	9	0.47	1.60	2.7
504	533	Transamerica	52.2	33 –14⅝	25⅞	28.21	1.09	2.15	12	0.33	1.64	6.3

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
505	495	W W Grainger	52.2%	66 – 25	56⅞	$28.60	0.50	$4.55	13	0.80	$1.24	2.2%
506	778	Crown Cork & Seal	51.9	45¾– 22¾	44¼	41.36	0.93	4.55	10	0.40	none	0.0
507	536	Moore Corp	51.7	51½– 25½	44¾	26.38	0.59	3.38	13	0.67	2.00	4.5
508	623	Idle Wild Foods	51.6	29½– 10	23½	34.87	1.48	2.46	10	0.05	0.80	3.4
509	120	Pioneer	51.5††	33⅝– 12	25⅜	10.71	0.42	4.13	6	2.03	1.24	4.9
510	695	Texas Utilities	51.4	28⅛– 14⅞	26⅞	26.15	0.97	4.30	6	0.88	2.36	8.8
511	556	Harsco	51.2	25 – 14⅞	23⅝	20.55	0.87	2.00	12	0.47	1.28	5.4
512	821	Boston Edison	51.1	34⅜– 18⅝	33¼	31.90	0.96	4.47	7	0.40	3.24	9.7
513	146	Nucor	51.1	44¼– 15	30⅛	18.31	0.61	2.72	11	0.67	0.36	1.2
514	670	Dana	50.5	33⅜– 11⅞	25⅞	19.79	0.76	3.19	8	0.42	1.28	4.9
515	893	Interco	50.3	85 – 35½	58⅝	68.83	1.17	6.96	8	0.32	3.08	5.3
516	360	NCR	50.2	34⅛– 9⅝	26	19.34	0.74	3.15	8	0.67	0.80	3.1
517	651	Citicorp	50.0	46⅛– 17	35⅝	41.99	1.18	6.04	6	0.23	2.06	5.8
518	769	Central & South West	49.6	22⅛– 11¼	21⅛	24.89	1.18	3.52	6	0.71	1.90	9.0
519	772	Digital Equipment	49.4	132⅛– 56¾	102⅞	68.83	0.67	7.90	13	0.99	none	0.0
520	590	Jack Eckerd	49.2	34⅞– 12⅝	27½	16.47	0.60	2.27	12	0.39	1.00	3.6
521	725	Anderson, Clayton	48.6	34 – 18⅛	33⅝	46.89	1.39	2.12	16	0.25	1.32	3.9
522	719	CBS	48.2	87¾– 33⅜	77⅝	48.45	0.62	7.98	10	0.47	3.00	3.9
523	494	Seaway Food Town	48.2	14½– 6¼	12½	17.35	1.39	0.77	16	0.06	0.68	5.4
524	545	Intl Multifoods	47.9	36⅝– 13¼	26⅝	26.95	1.01	2.94	9	0.19	1.76	6.6
525	630	Centel	47.8	40⅜– 21¼	37½	26.33	0.70	4.38	9	0.75	2.38	6.3
526	536	Standard Oil Indiana	47.7	99½– 33½	58¼	42.57	0.73	7.55	8	0.58	3.00	5.2
527	684	Central Illinois Light	47.5	23 – 11¼	21¾	21.06	0.97	2.80	8	0.54	2.14	9.8
528	671	USLIFE	47.3	34⅜– 14½	34¼	37.82	1.10	3.63	9	0.62	1.04	3.0
529	66	Mitchell Energy & Dev	46.8	45½– 9½	18⅛	10.81	0.60	1.44	13	0.94	0.24	1.3
530	737	Safeway Stores	46.6	30 – 12⅛	25¾	23.66	0.92	3.13	8	0.08	1.60	6.2
531	451	F W Woolworth	46.3	39⅜– 15⅞	36¾	31.92	0.87	3.93	9	0.20	1.80	4.9
532	94	Commercial Metals	46.0	28 – 7⅝	17¼	19.53	1.13	1.50	12	0.09	0.36	2.1
533	413	Brown-Forman	45.9	45⅛– 17¼	29	20.12	0.69	2.76	11	0.76	0.88	3.0
534	441	Central Steel & Wire	45.8	380 –215	350	430.17	1.23	55.66	6	0.20	30.00	8.6
535	516	Blue Bell	45.8	51⅜– 20½	47⅜	35.45	0.75	4.35	11	0.39	none	0.0
536	585	Federal Paper Board	45.8	27 – 8⅞	21½	13.29	0.62	2.83	8	0.44	0.70	3.3
537	672	Del E Webb	45.5	25 – 4⅞	20	13.16	0.66	1.50	13	0.33	0.15	0.8
538	725	National Can	45.4	37½– 15⅜	33⅝	35.46	1.05	4.07	8	0.17	1.00	3.0
539	623	MGM Grand Hotels	45.3†	23⅛– 5½	11⅝	–0.30	NE	0.40	29	0.80	0.44	3.8
540	823	So Carolina Elec & Gas	44.9	23 – 12	21⅜	18.33	0.86	3.00	7	0.79	2.05	9.6
541	483	Anchor Hocking	44.8	35¾– 13⅜	22⅝	28.94	1.28	1.21	19	0.34	1.48	6.5
542	92	Trinity Industries	44.6	30¾– 9	17⅝	11.60	0.66	–0.26	def	0.66	0.50	2.8
543	834	Comerica	44.2	34⅝– 17	33⅝	38.82	1.15	4.45	8	0.36	2.10	6.2
544	669	Avco	44.1	40⅜– 13⅞	40	46.96	1.17	4.64	9	0.36	1.20	3.0
545	720	Beatrice	43.9	36 – 16¼	29½	20.05	0.68	4.30	7	0.27	1.70	5.8
546	599	CSX	43.8†	27½– 12	22⅞	30.99	1.35	3.39	7	0.44	1.04	4.5
547	745	Utah Power & Light	43.7	25⅛– 13	24¼	18.86	0.78	2.28	11	1.39	2.32	9.6
548	627	Tecumseh Products	43.5	105 – 52	89	72.87	0.82	13.11	7	0.53	4.70	5.3
549	546	K mart	43.2	39¼– 15⅜	34	23.35	0.69	4.18	8	0.21	1.24	3.6
550	410	Fischbach	43.1	55½– 21¾	37¾	48.36	1.28	3.68	10	0.13	1.00	2.6
551	291	Amer Hospital Supply	42.9	49 – 18	30	18.87	0.63	3.11	10	0.65	1.12	3.7
552	331	Nalco Chemical	42.8	37 – 14⅜	24⅝	8.79	0.36	1.93	13	1.37	1.20	4.9
553	303	IU International	42.7	30⅜– 9⅝	15⅞	13.89	0.87	0.74	21	0.18	1.20	7.6
554	603	Marine Midland Banks	42.7	30¾– 11¾	26¾	49.36	1.85	4.89	5	0.20	1.60	6.0
555	579	GTE	42.5	48⅜– 22⅛	40¼	33.89	0.84	5.41	7	0.56	3.08	7.7
556	690	Pacific Gas & Electric	42.4	16¾– 9⅝	16⅜	16.39	1.00	2.40	7	0.69	1.72	10.5
557	613	Mead	41.9	42 – 13½	35⅛	28.60	0.81	4.42	8	0.41	1.20	3.4
558	394	American Cyanamid	41.9	59 – 20⅝	48¼	32.73	0.68	4.50	11	0.62	1.90	3.9
559	476	Honeywell	41.7	69¾– 29¾	59	49.37	0.84	6.40	9	0.47	1.90	3.2
560	738	Atlantic City Electric	41.6	25⅞– 14⅞	24¼	23.58	0.97	3.27	7	0.79	2.48	10.2
561	415	Sun Company	41.0	59¾– 26¾	49¼	44.53	0.90	4.01	12	0.38	2.30	4.7
562	478	Kemper	40.7	51½– 20⅞	40⅝	54.98	1.35	1.91	21	0.27	1.80	4.4
563	504	B F Goodrich	40.1	43⅞– 16⅜	27½	47.06	1.71	3.06	9	0.19	1.56	5.7
564	113	Purolator Courier	39.9	70 – 14	26½	27.63	1.04	2.74	10	0.26	1.28	4.8
565	407	Morse Shoe	39.8	39¾– 10	18⅞	23.32	1.24	2.40	8	0.20	0.80	4.2
566	768	United States Steel	39.3	35¼– 16	24⅜	43.69	1.79	–6.60	def	0.14	1.00	4.1
567	814	Upjohn	39.2	72¼– 38	65¾	34.74	0.53	5.67	12	0.93	2.56	3.9

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
568	*	MidCon	39.1%‡	39¾–19⅝	38¼	$38.54	1.01	$ 4.86	8	0.28	$2.36	6.2%
569	705	Edison Brothers Stores	39.1	46¾–20¼	34¼	26.81	0.78	4.37	8	0.32	1.60	4.7
570	565	Texas Instruments	38.9	176 –70½	122¼	50.07	0.41	13.70	9	0.53	2.00	1.6
571	421	Ex-Cell-O	38.5	44½–17⅝	36	30.15	0.84	3.57	10	0.47	1.60	4.4
572	416	Zale	38.3	34 –16¼	28	37.01	1.32	3.15	9	0.32	1.32	4.7
573	866	Commonwealth Edison	38.1	29¼–16¼	27⅝	27.56	1.00	4.26	6	0.98	3.00	10.9
574	164	Univar	38.0††	35 – 9¼	17¼	15.28	0.89	2.61	7	0.10	0.68	3.9
575	676	First Bank System	38.0	30⅜–13¾	27¼	33.38	1.22	3.92	7	0.33	1.48	5.4
576	748	Textron	37.9	43½–17¼	36⅝	32.81	0.90	2.78	13	0.39	1.80	4.9
577	744	American Can	37.5	55 –25¾	49	42.78	0.87	3.58	14	0.35	2.90	5.9
578	753	Central Illinois Pub Svc	37.5	17⅞– 9⅞	16½	15.01	0.91	1.91	9	0.79	1.60	9.7
579	829	Louisville Gas & Elec	37.4	26 –14½	25¼	23.00	0.91	3.34	8	0.69	2.44	9.7
580	871	Public Service Colorado	37.4	19⅝–11⅛	18⅜	16.70	0.91	2.32	8	0.53	1.92	10.4
581	824	Pennsylvania Power & Lt	37.3	25⅜–14½	24⅜	25.13	1.03	3.18	8	1.14	2.48	10.2
582	584	Valley National	36.9	30¾–13⅛	28¾	25.93	0.90	3.27	9	0.52	1.20	4.2
583	693	International Paper	36.8	60 –30½	50⅝	66.77	1.32	4.74	11	0.54	2.40	4.7
584	512	Squibb	36.4	55⅝–24⅜	51½	23.24	0.45	3.57	14	1.49	1.60	3.1
585	220	Bausch & Lomb	36.4	35 –15⅝	26	12.56	0.48	1.58	16	1.16	0.78	3.0
586	789	Intl Flavors & Frag	36.3	35¾–16⅝	26¾	9.39	0.35	1.87	14	2.09	1.12	4.2
587	799	PacifiCorp	36.1	25½–16	24½	20.51	0.84	3.78	6	0.87	2.32	9.5
588	573	Transway International	35.9	38⅞–19½	32⅝	27.36	0.84	3.60	9	0.25	1.80	5.5
589	486	Sterling Drug	35.6	29⅝–16	27⅛	14.96	0.55	2.33	12	0.88	1.16	4.3
590	271	Southland	35.6	48¼–11¼	25¼	22.94	0.91	3.36	8	0.10	0.92	3.6
591	363	InterNorth	35.5	49¾–21	39⅝	33.28	0.84	5.39	7	0.29	2.48	6.3
592	681	U S Bancorp	35.3	24⅞–12¼	23	24.47	1.06	2.84	8	0.62	1.00	4.3
593	761	CertainTeed	34.7	25¾–10	19⅞	20.46	1.03	1.84	11	0.32	0.60	3.0
594	811	NY State Electric & Gas	34.1	22⅞–13⅛	21⅛	22.75	1.08	3.62	6	0.96	2.44	11.6
595	688	Centerre Bancorporation	34.0	29 –15⅞	25¼	38.67	1.53	2.75	9	0.36	1.80	7.1
596	652	McGraw-Edison	34.0	51 –20¾	35	34.56	0.99	3.07	11	0.26	2.00	5.7
597	796	First Chicago	33.9	28 –10¾	20¾	35.80	1.73	1.16	18	0.22	1.32	6.4
598	685	Carter Hawley Hale	33.8	32¼–10½	23¼	21.26	0.91	3.04	8	0.11	1.22	5.2
599	301	Fremont General	33.7	33 – 5½	16½	11.37	0.69	–0.10	def	0.26	0.48	2.9
600	610	Continental Telecom	33.3	25⅞–12⅝	21½	17.17	0.80	2.51	9	0.67	1.72	8.0
601	899	Colonial Penn Group	33.1	31⅜–11¼	28⅛	21.35	0.76	3.02	9	0.36	1.40	5.0
602	749	Kansas City Power & Lt	33.1	22½–12⅛	19⅝	23.52	1.20	4.52	4	0.97	2.36	12.0
603	860	Rochester Gas & Elec	33.0	18⅞–10	18⅛	22.09	1.22	3.54	5	0.58	2.04	11.3
604	249	Control Data	32.7	64⅜–13½	36	47.58	1.32	1.27	28	0.28	0.66	1.8
605	774	Niagara Mohawk Power	32.7	18½–10	16¾	18.43	1.10	3.00	6	0.67	2.00	11.9
606	598	CPC International	32.5	44⅞–27¼	40	26.92	0.67	2.83	14	0.45	2.20	5.5
607	779	Public Service E&G	32.5	27¾–15½	25½	27.05	1.06	4.00	6	0.67	2.72	10.7
608	429	North American Coal	32.3	53⅛–20¼	51¼	33.31	0.65	7.70	7	0.34	1.00	2.0
608	564	Skyline	32.3	30¾– 8½	15⅜	10.66	0.69	0.70	22	0.46	0.48	3.1
610	*	Iowa Resources	32.0	29⅞–18½	29⅜	28.71	0.98	4.14	7	0.63	3.00	10.2
611	691	MGM/UA Entertainment	32.0†	22¼– 5	12⅜	7.86	0.64	0.69	18	0.87	0.20	1.6
612	970	General Public Utils	31.9	11⅜– 3⅜	11⅜	24.28	2.13	1.74	7	0.27	none	0.0
613	571	Johnson Controls	31.6	49⅜–17½	41⅝	29.61	0.71	4.71	9	0.41	1.86	4.5
614	859	Union Electric	31.3	16¼– 9¾	15¾	16.44	1.04	2.75	6	1.07	1.72	10.9
615	489	Alcoa	31.2	48⅜–21⅞	36	39.06	1.09	4.51	8	0.50	1.20	3.3
616	554	Fruehauf	31.1	33⅝–10⅛	24¼	24.47	1.01	4.14	6	0.17	0.60	2.5
617	750	Kentucky Utilities	31.0	24⅞–14⅜	23¾	22.77	0.96	3.20	7	0.83	2.36	9.9
618	574	Carpenter Technology	30.8	58¼–26¼	39¼	35.10	0.89	3.94	10	0.62	2.10	5.4
619	582	Northwest Airlines	30.8	55½–20⅜	36⅛	39.34	1.09	4.19	9	0.32	0.80	2.2
620	434	Allen Group	30.5	24¾–10¼	16¼	14.00	0.86	1.59	10	0.28	0.60	3.7
621	635	Stewart-Warner	30.0	36 –13¾	32¼	26.04	0.81	1.59	20	0.70	1.68	5.2
622	787	Walt Disney Productions	29.8	84¾–40½	58¼	40.59	0.70	0.61	NM	1.18	1.20	2.1
623	325	LTV	29.7††	25⅜– 7½	10⅛	17.31	1.72	–2.17	def	0.13	none	0.0
624	381	SONAT	29.6	39⅝–19⅞	35	31.84	0.91	5.18	7	0.53	1.85	5.3
625	617	H J Wilson	29.5	29½– 7⅜	12¾	15.47	1.21	0.73	17	0.19	0.20	1.6
626	644	Riegel Textile	29.3	34⅞–15⅜	24¼	39.67	1.64	4.29	6	0.21	1.80	7.4
627	636	Penn Traffic	29.2	26½–11⅝	18¼	25.52	1.40	2.44	7	0.07	1.20	6.6
628	844	Carolina Power & Light	28.8	25¼–14⅞	24⅝	25.33	1.03	3.66	7	0.87	2.52	10.2
629	*	Alltel	28.7	26¼–14⅛	23⅜	19.90	0.85	2.92	8	0.73	1.84	7.9
630	503	Johnson & Johnson	28.4	51½–22	33⅞	15.81	0.47	2.50	14	1.05	1.20	3.5

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
631	524	**First Interstate Bancorp**	28.3%	47 –21⅝	40⅛	$47.42	1.18	$5.99	7	0.35	$2.34	5.8%
632	467	**USF&G**	27.9	31 –15⅜	24⅝	22.60	0.92	2.53	10	0.50	2.08	8.4
633	355	**Gordon Jewelry**	27.3	22⅞– 8½	14⅞	20.47	1.38	2.33	6	0.35	0.52	3.5
634	332	**MCorp**	27.2	36⅜–12⅜	21¾	24.48	1.13	3.66	6	0.68	1.32	6.1
635	193	**Farm House Foods**	27.1	7 – 1⅝	3⅜	3.47	1.03	0.26	13	0.02	none	0.0
636	925	**Portland General Elec**	26.9	17⅛–10⅜	16½	18.17	1.10	3.46	5	1.08	1.82	11.0
637	832	**Continental Corp**	26.8	38 –20⅝	33¾	41.41	1.23	0.35	NM	0.37	2.60	7.7
638	675	**Washington National**	26.5	39⅝–12	21½	29.70	1.38	1.81	12	0.29	1.08	5.0
639	*	**Central Hudson Gas & El**	26.0	26⅛–15	23⅝	27.40	1.16	4.50	5	0.50	2.84	12.0
640	714	**Schering-Plough**	25.9	48⅛–24⅞	38⅛	25.10	0.66	3.46	11	1.04	1.68	4.4
641	493	**Panhandle Eastern**	25.7	52¼–20½	38¼	36.04	0.94	3.77	10	0.50	2.30	6.0
642	662	**Kerr Glass Mfg**	25.6	21⅛– 8½	12¼	16.72	1.36	–1.40	def	0.15	0.44	3.6
643	710	**Montana Power**	25.6	36⅜–18	25⅛	28.48	1.13	2.55	10	1.03	2.80	11.1
644	497	**Snap-On Tools**	25.1	37½–16½	33⅝	12.75	0.38	2.84	12	1.32	1.00	3.0
645	888	**Brockway Inc (NY)**	25.0	19½–12⅝	17½	28.07	1.60	–0.44	def	0.15	1.32	7.5
646	594	**Eastern Gas & Fuel**	24.9	32½–14¼	27	22.74	0.84	3.02	9	0.46	1.30	4.8
647	133	**General Instrument**	24.5	66⅞–12⅝	21⅛	19.97	0.95	1.07	20	0.69	0.50	2.4
648	472	**General Signal**	24.3	54⅛–28	46¾	29.67	0.63	3.72	13	0.76	1.80	3.9
649	531	**Leaseway Transportation**	24.0	47⅝–19⅜	27¾	24.28	0.87	2.96	9	0.24	1.50	5.4
650	767	**Willamette Industries**	23.8	47⅛–16¼	34	26.23	0.77	3.17	11	0.45	1.50	4.4
651	499	**Air Products & Chems**	23.5	54¼–23⅝	45⅜	33.69	0.74	4.55	10	0.81	1.20	2.6
652	525	**RepublicBank**	23.3	38¼–17½	28	34.20	1.22	3.93	7	0.37	1.64	5.9
653	659	**J P Stevens**	23.1	26 –11⅞	16½	30.73	1.86	1.23	13	0.13	1.20	7.3
654	420	**Zurn Industries**	23.0	37⅜–14⅛	25⅜	24.74	0.97	2.36	11	0.44	1.32	5.2
655	605	**Joy Manufacturing**	22.9	42⅞–18	25⅛	25.77	1.03	1.80	14	0.66	1.40	5.6
656	292	**American Maize-Products**	22.8	20⅞– 8	15½	21.66	1.40	1.99	8	0.20	0.52	3.4
657	837	**Detroit Edison**	22.2	16 –10	15⅛	16.62	1.10	2.22	7	0.85	1.68	11.1
658	*	**DWG**	22.1	3⅞– 1	2¼	6.98	3.10	0.08	28	0.05	none	0.0
659	541	**Southern Union**	21.7	34⅛–14	27	20.84	0.77	1.61	17	0.27	1.72	6.4
660	854	**Wicor**	21.4	27¾–15¾	26¼	26.21	1.00	4.59	6	0.18	2.30	8.8
661	324	**Heck's**	21.4	19⅝– 6½	12¼	12.25	1.00	0.41	30	0.24	0.28	2.3
662	*	**Peabody International**	21.2‡	15⅛– 4⅝	7⅞	11.68	1.48	–1.55	def	0.22	0.20	2.5
663	557	**Barnes Group**	20.8	26⅛–11⅛	21¾	16.76	0.77	3.26	7	0.32	0.80	3.7
663	456	**Perkin-Elmer**	20.8	37½–17	25⅜	12.77	0.50	1.68	15	0.92	0.56	2.2
665	655	**Fieldcrest Mills**	20.8	39 –17⅛	31¼	45.33	1.45	2.96	11	0.21	2.00	6.4
666	619	**Resorts International**	20.7	53¼–12½	37⅛	27.63	0.74	1.93	19	0.70	none	0.0
667	755	**Dayco**	20.7	19⅛– 6¼	16¾	22.62	1.35	2.61	6	0.14	0.24	1.4
668	464	**Stanley Works**	20.6	29½–12¾	25¼	15.52	0.61	2.54	10	0.63	0.96	3.8
669	917	**Illinois Power**	20.3	24⅛–15¾	23	22.81	0.99	3.98	6	1.00	2.64	11.5
670	491	**Easco**	20.2	23½– 9⅛	13¾	17.32	1.26	–0.67	def	0.17	0.44	3.2
671	236	**Cincinnati Milacron**	20.1	46¾–16¾	23⅛	13.04	0.56	0.65	36	0.83	0.72	3.1
672	891	**Castle & Cooke**	20.1	19⅝– 6⅞	16	9.66	0.60	–3.73	def	0.26	none	0.0
673	654	**Foxboro**	20.1	47½–20⅜	30⅛	25.14	0.83	0.49	61	0.71	1.04	3.5
674	742	**Jim Walter**	20.0	38¼–12¾	29½	37.86	1.28	4.45	7	0.27	1.20	4.1
675	667	**Chevron**	19.7	58¾–23½	33¾	41.23	1.22	4.40	8	0.41	2.40	7.1
676	444	**Union Carbide**	19.6	73⅞–36⅞	50¼	69.95	1.39	2.82	18	0.37	3.40	6.8
677	678	**Merck**	19.6	104⅝–58¼	86⅜	32.92	0.38	6.54	13	1.85	3.20	3.7
678	790	**Sybron**	19.5	29⅛–12	19⅞	19.40	0.98	–1.28	def	0.33	1.08	5.4
679	351	**Alcan Aluminium**	19.5	41⅝–15⅞	28	29.42	1.05	2.95	9	0.51	1.20	4.3
680	315	**Signal Cos**	19.2	38¾–13⅛	31	23.00	0.74	2.39	13	0.57	0.94	3.0
681	453	**Raytheon**	19.0	57½–28¼	39⅞	22.30	0.56	2.69	15	0.54	1.60	4.0
682	881	**Amer Natural Resources**	18.9††	38½–16⅞	37¼	28.60	0.77	5.08	7	0.40	2.22	6.0
683	658	**Texaco**	18.6	54⅜–24¾	34¼	56.85	1.66	4.39	8	0.20	3.00	8.8
684	*	**Engelhard**	18.6‡	44¾–17	28¾	17.00	0.59	1.82	16	0.33	0.72	2.5
685	857	**Frontier Holdings**	18.5	28¾– 6⅞	12	16.39	1.37	–0.73	def	0.20	none	0.0
686	876	**National City**	18.4	34 –15½	33⅜	37.12	1.10	5.17	7	0.55	1.90	5.6
686	177	**Zapata**	18.4	39⅝–10½	16⅞	22.29	1.32	1.28	13	0.82	0.84	5.0
688	760	**Corning Glass Works**	18.3	90¼–39¼	66¼	49.01	0.74	4.30	15	0.82	2.56	3.9
689	612	**Adolph Coors**	18.1	28⅞– 9½	15½	24.57	1.59	1.46	11	0.48	0.40	2.6
690	587	**St Paul Cos**	17.8	70½–31	48	64.20	1.34	–4.65	def	0.38	3.00	6.3
691	785	**E I Du Pont de Nemours**	17.6	59 –30	47½	47.03	0.99	6.09	8	0.31	3.00	6.3
692	699	**Kay**	17.6	28⅛– 7⅜	11½	8.80	0.77	0.67	17	0.05	0.20	1.7
693	798	**Becton, Dickinson**	17.3	54½–22	39⅞	28.80	0.72	3.03	13	0.72	1.20	3.0

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
694	625	**Ogden**	17.1%	39⅞–17½	26¾	$18.64	0.70	$2.18	12	0.24	$1.80	6.7%
695	852	**Cleveland Elec Illum**	16.9	23 –13½	19	20.83	1.10	3.61	5	1.15	2.52	13.3
696	682	**Beneficial Corp**	16.9	35½–14⅝	31⅛	31.66	1.02	3.73	8	0.28	2.00	6.4
697	863	**Ampco-Pittsburgh**	16.4	26⅝–11⅞	21½	19.55	0.91	0.36	60	0.57	0.30	1.4
698	666	**Ferro**	16.2	39⅞–17	24¼	28.22	1.16	2.99	8	0.24	1.20	4.9
699	736	**Pennwalt**	16.1	45¾–21½	36⅞	32.73	0.89	3.85	10	0.44	2.20	6.0
700	580	**H F Ahmanson**	16.0	40½– 8	24½	33.12	1.35	2.19	11	0.27	1.20	4.9
701	708	**Coastal Corp**	16.0	59½–14⅛	25⅞	26.05	1.01	4.61	6	0.09	0.40	1.5
702	862	**Arizona Public Service**	15.9	27⅞–14½	20	23.78	1.19	3.53	6	1.17	2.60	13.0
703	642	**Atlantic Richfield**	15.9	74⅜–32¼	46⅝	42.68	0.92	2.71	17	0.46	3.00	6.5
704	254	**Baxter Travenol Labs**	15.8	31⅜– 8⅞	13¾	8.17	0.59	1.28	11	1.07	0.33	2.4
705	830	**Eagle-Picher Industries**	15.7	26⅞– 9⅝	23	23.28	1.01	2.75	8	0.33	1.04	4.5
706	274	**White Consolidated Inds**	15.7	48⅜–19	27⅝	37.82	1.37	3.36	8	0.20	1.50	5.4
707	856	**Duquesne Light**	15.6	19 –11⅜	15¾	16.41	1.04	2.33	7	1.11	2.06	13.1
708	517	**Ohio Casualty**	15.5	56 –29¼	41	46.50	1.13	2.62	16	0.47	2.68	6.5
709	673	**Oneok**	15.1	44⅞–17½	27⅝	28.49	1.03	3.46	8	0.30	2.56	9.3
710	390	**Sundstrand**	14.8	59½–23¼	43⅝	27.35	0.63	3.28	13	0.82	1.80	4.1
711	802	**Crane**	14.8	44 –17⅛	34½	24.29	0.70	–1.89	def	0.41	1.60	4.6
712	551	**American Standard**	14.6	43¾–17	31⅜	21.87	0.70	2.46	13	0.40	1.60	5.1
713	715	**Copperweld**	14.0	31¾–10⅝	14¾	16.56	1.12	0.60	25	0.29	0.58	3.9
714	539	**Transco Energy**	13.8††	64¼–23⅛	49⅜	34.48	0.70	5.41	9	0.32	2.04	4.1
715	808	**California First Bank**	13.4	19¼–11½	18¾	23.00	1.23	1.86	10	0.38	1.08	5.8
716	924	**American Electric Power**	13.3	21⅜–15⅛	20¼	20.23	1.00	2.85	7	0.76	2.26	11.2
717	620	**Entex**	13.2	24¼–10⅛	20⅜	13.60	0.67	2.87	7	0.39	1.30	6.4
718	336	**Ryan Homes**	13.0	50 –12	25	18.70	0.75	1.88	13	0.29	1.00	4.0
719	621	**Chase Manhattan**	12.9	62¼–31¼	43⅝	87.81	2.01	9.22	5	0.16	3.65	8.4
720	634	**Boise Cascade**	12.9	48¼–19¾	38¼	48.37	1.26	3.68	10	0.27	1.90	5.0
721	776	**United Telecom**	12.0	25 –14	22⅛	18.92	0.86	2.51	9	0.74	1.92	8.7
722	788	**Gulf States Utilities**	11.4	16¼– 9	12¼	15.73	1.28	2.31	5	0.72	1.64	13.4
723	668	**Quaker State Oil**	11.2	23½– 9⅞	17⅜	12.90	0.74	1.40	12	0.42	0.80	4.6
724	427	**Houston Natural Gas**	11.2	63¼–24⅝	44¾	31.78	0.71	4.25	11	0.71	2.00	4.5
725	618	**Occidental Petroleum**	11.1	42 –17	30⅛	23.52	0.78	4.04	7	0.18	2.50	8.3
726	858	**Fisher Foods**	10.7	14⅝– 5⅝	10⅜	14.92	1.44	–1.15	def	0.10	0.05	0.5
727	803	**American Bakeries**	10.5	20⅝– 8	16½	13.92	0.84	1.57	11	0.08	none	0.0
728	797	**Lucky Stores**	10.4	25¼–12¼	17¼	11.19	0.65	1.87	9	0.10	1.16	6.7
729	853	**Unidynamics**	10.3	19⅜– 7⅜	14¾	17.26	1.17	2.02	7	0.26	0.60	4.1
730	711	**Owens-Corning Fiberglas**	10.1	46⅞–15⅜	31⅜	26.09	0.83	3.88	8	0.31	1.40	4.5
731	395	**Union Pacific**	9.3	96¼–29¼	39½	35.34	0.89	2.78	14	0.58	1.80	4.6
732	819	**Houston Industries**	9.3	24¼–16½	21¼	23.78	1.12	3.78	6	0.48	2.48	11.7
733	828	**Timken**	9.3	78 –40⅜	55¾	66.26	1.19	4.29	13	0.58	1.80	3.2
734	481	**United Brands**	9.2	27⅛– 6½	11⅞	20.52	1.73	1.28	9	0.05	none	0.0
735	724	**Great Western Financial**	9.1	31½– 9½	24	24.19	1.01	2.51	10	0.35	0.88	3.7
735	707	**Norton**	9.1	62 –23¾	36	31.60	0.88	3.10	12	0.59	2.00	5.6
737	911	**Dayton Power & Light**	8.6	19⅛–11⅛	15¾	19.14	1.22	2.18	7	0.60	2.00	12.7
738	174	**Archer Daniels Midland**	8.5	24 –10½	17½	17.12	0.98	1.19	15	0.36	0.14	0.8
739	298	**Raychem**	8.5	93 –37	57½	33.04	0.57	3.40	17	0.88	0.44	0.8
740	751	**Emery Air Freight**	8.3	26⅝– 7	18	6.68	0.37	1.68	11	0.43	0.50	2.8
741	793	**Briggs & Stratton**	8.2	37¼–20¾	28⅛	18.87	0.67	2.84	10	0.56	1.82	6.5
742	628	**Warner Communications**	7.9	63¼–17	20	14.63	0.73	–6.18	def	0.33	none	0.0
743	552	**Parker Pen**	7.4	26 –10⅞	16¼	8.07	0.50	0.61	27	0.35	0.52	3.2
744	412	**Amerada Hess**	7.2	54¾–15⅛	26⅛	30.07	1.15	2.74	10	0.25	1.10	4.2
745	575	**A O Smith**	6.9	23¾– 4⅞	12⅛	27.81	2.29	2.46	5	0.10	0.48	4.0
746	730	**Gifford-Hill**	6.4	26⅞–10	18¾	22.70	1.21	1.68	11	0.36	0.52	2.8
747	890	**Philadelphia Electric**	6.4	18⅜– 9	14⅝	17.99	1.23	2.61	6	0.79	2.20	15.0
748	689	**Aetna Life & Casualty**	6.0	48¼–27¼	35¼	41.40	1.17	1.95	18	0.24	2.64	7.5
749	861	**AMF**	6.0	28½–11½	15½	16.65	1.07	0.16	NM	0.38	0.50	3.2
750	884	**Athlone Industries**	6.0	30 –14⅝	20	20.33	1.02	1.35	15	0.17	1.60	8.0
751	530	**W R Grace**	5.9	63½–28½	42⅞	44.80	1.04	3.99	11	0.31	2.80	6.5
752	615	**Gates Learjet**	5.5	27¾– 9¼	13⅞	10.32	0.74	0.73	19	0.39	0.05	0.4
753	563	**Mobil**	5.5	44¾–19½	29	34.29	1.18	3.52	8	0.21	2.20	7.6
754	609	**ITT**	5.4	47¾–21¾	26⅞	39.37	1.46	3.08	9	0.26	1.00	3.7
755	398	**Murphy Oil**	4.6	64 –15½	29⅝	26.97	0.91	2.71	11	0.50	1.00	3.4
756	702	**Eli Lilly**	4.6	68¾–45⅛	62½	28.86	0.46	6.66	9	1.47	3.20	5.1

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
757	822	**Pacific Gamble Robinson**	4.2%	24½–14⅞	20¼	$28.25	1.40	$0.62	33	0.05	$1.40	6.9%
758	923	**Butler Manufacturing**	4.2	30¼–18½	25	27.56	1.10	–0.27	def	0.34	1.32	5.3
759	422	**Allied Corp**	4.1	41⅛–19¼	34⅛	30.24	0.89	0.76	45	0.26	1.80	5.3
760	*	**Richardson-Vicks**	4.1‡	34¾–20½	28⅝	20.55	0.72	3.08	9	0.53	1.48	5.2
761	880	**Middle South Utilities**	4.0	17¼– 9¼	13⅛	18.07	1.38	2.79	5	0.77	1.78	13.6
762	892	**National Intergroup**	3.8	37⅝–13⅞	27½	43.10	1.57	–0.66	def	0.19	0.25	0.9
763	595	**Louisiana-Pacific**	3.4	35⅜–13⅛	19⅞	22.01	1.11	1.40	14	0.55	0.80	4.0
764	431	**Combustion Engineering**	3.0	54¾–20½	30½	23.21	0.76	–0.24	def	0.33	1.84	6.0
765	910	**No Indiana Public Svc**	2.7	15½–10	14⅛	15.33	1.09	1.80	8	0.47	1.56	11.0
766	312	**Newmont Mining**	2.2	79¼–27⅝	40½	48.77	1.20	1.27	32	1.58	1.00	2.5
767	918	**Toledo Edison**	2.1	22½–13⅜	17⅞	24.12	1.35	3.60	5	1.11	2.52	14.1
768	894	**Ohio Edison**	1.9	16⅛– 9⅜	13⅝	15.78	1.16	2.56	5	0.99	1.84	13.5
769	790	**Big Three Industries**	1.9	38 –15⅛	20½	14.61	0.71	1.25	16	1.09	0.80	3.9
770	800	**Central Soya**	1.8	21⅜– 8⅝	14¼	21.17	1.49	1.51	9	0.12	0.84	5.9
771	341	**Wheeling-Pitts Steel**	1.5	40⅛–12⅛	17⅜	61.78	3.56	–4.62	def	0.09	none	0.0
772	*	**Arrow Electronics**	1.2	34 – 7¾	15¾	10.44	0.66	2.11	7	0.14	0.20	1.3
773	841	**Reynolds Metals**	1.2	41⅝–18¾	32⅞	56.19	1.71	5.25	6	0.18	1.00	3.0
774	729	**Economics Laboratory**	1.0	33¼–16	24½	15.44	0.63	2.59	9	0.47	1.04	4.2
775	682	**Cooper Industries**	1.0	62 –19¼	30¾	24.87	0.81	1.97	16	0.65	1.52	4.9
776	894	**Southwest Forest Inds**	0.8	28⅞– 7¼	15⅝	20.59	1.32	1.52	10	0.19	none	0.0
777	912	**Research-Cottrell**	0.7	21⅛– 9¾	17⅝	23.38	1.33	0.59	30	0.23	0.32	1.8
778	261	**Whittaker**	0.7	50⅞–14½	19¼	23.52	1.22	3.51	5	0.18	0.60	3.1
779	717	**First Security**	0.6	27⅜–14⅛	19¾	28.23	1.43	0.74	27	0.42	1.10	5.6
780	366	**Standard Oil Ohio**	0.6	91½–26½	44⅜	32.68	0.74	6.21	7	0.88	2.80	6.3
781	816	**Manufacturers Hanover**	0.0	51 –22½	31⅛	64.28	2.07	7.11	4	0.16	3.20	10.3
781	*	**Smithfield Foods**	0.0	11¾– 4⅝	8	10.82	1.35	0.42	19	0.03	none	0.0
783	882	**Michigan National**	–0.2	20¼– 9¾	16	28.49	1.78	–0.05	def	0.21	none	0.0
784	806	**Potlatch**	–0.4	49¼–19	29⅞	35.48	1.19	2.72	11	0.46	1.56	5.2
785	843	**McDermott International**	–0.5	31⅝–16⅜	24⅞	33.92	1.36	1.02	24	0.31	1.80	7.2
786	616	**Pennzoil**	–0.6	62½–23⅝	43⅞	23.88	0.54	4.26	10	0.89	2.20	5.0
787	950	**Polaroid**	–1.3	37¼–16¾	27⅝	29.77	1.08	1.32	21	0.67	1.00	3.6
788	782	**Equitable of Iowa**	–1.5	28¾–13½	18¼	35.45	1.94	1.77	10	0.25	1.28	7.0
789	457	**Intl Minerals & Chems**	–1.5	66½–23½	38	38.47	1.01	3.33	11	0.66	2.60	6.8
790	345	**Handy & Harman**	–2.0	34½–10¾	18¾	9.41	0.50	1.00	19	0.42	0.66	3.5
791	655	**Fedl Natl Mortgage**	–2.3	30⅛– 6⅜	15¾	19.38	1.23	–0.19	def	0.12	0.16	1.0
792	637	**Tidewater**	–2.4	54⅜–15½	20½	18.95	0.92	–0.73	def	1.11	0.90	4.4
793	781	**Borman's**	–2.4	13¼– 2	5	8.53	1.71	–3.50	def	0.01	none	0.0
794	514	**Schlumberger Limited**	–2.6	87¼–30	40⅝	20.09	0.49	3.92	10	2.02	1.20	3.0
795	766	**Cessna Aircraft**	–3.2	36½–11¾	22¾	17.09	0.75	0.05	NM	0.65	0.40	1.8
796	583	**PSA**	–3.5	42½–15	17⅜	31.72	1.83	–2.09	def	0.15	0.60	3.5
797	547	**Tektronix**	–3.5	86¾–34	57¾	40.02	0.69	6.36	9	0.81	1.00	1.7
798	660	**Black & Decker Mfg**	–4.3	28⅝–12	22	11.78	0.54	1.95	11	0.72	0.64	2.9
799	357	**A E Staley Mfg**	–5.4	42½–15⅜	19⅞	23.11	1.16	1.26	16	0.26	0.80	4.0
800	391	**Foster Wheeler**	–5.7	30½– 9⅝	12½	10.92	0.87	0.99	13	0.31	0.44	3.5
801	731	**Norwest**	–5.9	39½–17	24	35.93	1.50	1.81	13	0.27	1.80	7.5
802	836	**Gould**	–5.9	43¾–19¼	21⅞	19.80	0.91	1.79	12	0.65	0.68	3.1
803	408	**ENSERCH**	–6.1	40 –15¾	18¼	17.95	0.98	1.16	16	0.28	1.60	8.8
804	763	**Tenneco**	–6.5	58⅜–22⅞	36¼	41.34	1.14	4.85	7	0.35	2.92	8.1
805	878	**Phillips Petroleum**	–7.3	62⅞–23½	44½	40.13	0.90	5.77	8	0.44	2.40	5.4
806	713	**Natl Distillers & Chem**	–7.4	33⅜–18⅞	26⅝	30.72	1.15	2.02	13	0.28	2.20	8.3
807	824	**Di Giorgio**	–7.8	15⅞– 7	11⅞	18.32	1.54	0.52	23	0.06	0.64	5.4
808	140	**U S Home**	–9.1	20¾– 5	5⅝	9.37	1.67	–0.88	def	0.17	none	0.0
809	784	**Kerr-McGee**	–9.6	46½–22½	30⅝	32.83	1.07	2.22	14	0.45	1.10	3.6
810	864	**Nashua**	–9.7	33 – 8½	25⅝	23.23	0.91	3.95	6	0.21	none	0.0
811	555	**Amfac**	–9.8	35⅞–17⅛	23	25.75	1.12	–2.20	def	0.16	1.44	6.3
812	936	**Lukens**	–10.9	17½– 8¾	11¼	23.96	2.13	0.08	NM	0.15	0.40	3.6
813	886	**Georgia-Pacific**	–10.9	34⅞–13¼	23½	19.48	0.83	2.24	10	0.35	0.80	3.4
814	883	**Champion Spark Plug**	–11.1	13½– 6⅞	9	9.37	1.04	0.81	11	0.42	0.40	4.4
815	954	**Cincinnati Gas & Electric**	–11.3	20 – 8⅞	14¾	20.35	1.38	2.51	6	0.44	2.16	14.6
815	907	**Rexnord**	–11.3	20¾– 8½	14¾	18.10	1.23	1.29	11	0.34	0.40	2.7
817	741	**Dow Chemical**	–11.7	39¾–19⅝	28⅜	25.77	0.91	2.80	10	0.47	1.80	6.3
818	815	**Crocker National**	–12.1	42 –16¼	25½	58.81	2.31	–8.21	def	0.20	0.40	1.6
819	703	**Weyerhaeuser**	–12.2	41¾–22½	27⅞	21.65	0.78	1.85	15	0.67	1.30	4.7

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank			5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
84	83	Company										
820	927	**Puget Sound Power & Lt**	–13.2%	16½– 9¼	12⅜	$17.04	1.38	$1.60	8	0.90	$1.76	14.2%
821	969	**Texas Air**	–13.3	15¼– 4	8⅛	–8.96	NE	–3.50	def	0.09	none	0.0
822	137	**Dynalectron**	–13.5	17⅜– 5⅝	10⅜	10.22	0.99	0.98	11	0.15	0.25	2.4
823	513	**Williams Cos**	–13.7	49⅞–12⅝	27⅝	34.34	1.24	5.02	6	0.24	1.40	5.1
824	509	**Texas Eastern**	–13.9	44½–18½	28⅝	27.21	0.95	3.23	9	0.26	2.20	7.7
825	905	**Amsted Industries**	–14.4	49 –18⅝	32¾	32.98	1.01	2.23	15	0.57	1.60	4.9
826	717	**SmithKline Beckman**	–14.9	88⅜–43½	53½	24.67	0.46	6.15	9	1.48	2.80	5.2
827	935	**Amdahl**	–15.5	29¾– 7⅝	10⅞	9.59	0.88	0.80	14	0.55	0.20	1.8
828	756	**Harris Corp**	–15.6	60¼–20⅜	27¾	20.48	0.74	2.19	13	0.53	0.88	3.2
829	900	**General Refractories**	–15.8	11 – 2⅜	8	2.78	0.35	1.49	5	0.10	none	0.0
830	840	**Champion International**	–16.2	30¼–11¾	20	29.21	1.46	2.15	9	0.24	0.40	2.0
831	913	**Revere Copper & Brass**	–16.4	25⅜– 4¾	12¾	8.20	0.64	–0.19	def	0.12	none	0.0
832	775	**Columbia Gas System**	–17.2	47 –26⅞	31¼	41.04	1.31	5.10	6	0.25	3.18	10.2
833	433	**Allegheny International**	–17.3	55⅜–16⅜	23⅜	23.72	1.01	1.98	12	0.10	1.40	6.0
833	537	**Pacific Resources**	–17.3	14¾– 5⅝	7⅛	7.12	1.00	–0.23	def	0.06	none	0.0
835	770	**GATX**	–17.7	44 –20½	30¼	29.46	0.97	–7.26	def	0.47	1.20	4.0
836	932	**Liquid Air**	–17.9	34½–14¾	19½	20.36	1.04	1.98	10	0.50	1.60	8.2
837	801	**Lone Star Industries**	–18.3	38⅜–17⅝	23⅜	33.81	1.45	2.33	10	0.30	1.90	8.1
838	645	**United Energy Resources**	–18.7	56 –22	25¼	32.27	1.28	2.32	11	0.17	2.48	9.8
839	960	**Republic Airlines**	–18.8	11⅜– 2⅞	4⅞	–0.73	NE	1.43	3	0.09	none	0.0
840	687	**Best Products**	–19.0	26½– 9⅛	12½	26.64	2.13	1.32	9	0.16	0.24	1.9
841	868	**First City Bancorp**	–19.4	41¼–14⅛	15⅝	24.25	1.55	1.11	14	0.27	1.30	8.3
842	805	**Bethlehem Steel**	–19.5	32 –14½	17	23.52	1.38	–3.51	def	0.14	0.60	3.5
843	866	**Lubrizol**	–19.7	41⅜–14¼	22⅛	12.03	0.54	1.71	13	1.04	1.16	5.2
844	879	**NICOR**	–20.4	45½–24¼	26⅜	31.57	1.20	1.96	13	0.29	3.04	11.5
845	873	**Gelco**	–20.6	37 –13⅜	15¾	15.10	0.96	0.94	17	0.24	0.56	3.6
846	820	**Pan Am Corp**	–20.8	9¼– 2⅜	4¾	4.19	0.88	–1.70	def	0.13	none	0.0
847	897	**Ingersoll-Rand**	–23.1	80 –35½	40	49.52	1.24	–2.66	def	0.33	2.60	6.5
848	723	**Stewart & Stevenson**	–23.4	23¾– 9⅝	11⅜	18.73	1.65	–0.59	def	0.22	none	0.0
849	955	**Chicago Pneumatic Tool**	–23.8	25⅞–10⅞	18	24.30	1.35	2.39	8	0.22	none	0.0
850	438	**Fairchild Industries**	–23.8	33⅞–10⅞	16⅜	18.27	1.12	1.84	9	0.25	0.80	4.9
851	650	**Computer Sciences**	–24.2	29¾–11	14⅛	11.59	0.82	1.40	10	0.28	none	0.0
852	875	**Deere**	–24.3	49¾–20¾	29⅝	33.60	1.13	1.89	16	0.47	1.00	3.4
853	953	**Revlon**	–24.4	53⅞–22⅞	34	25.27	0.74	3.15	11	0.54	1.84	5.4
854	842	**Gibraltar Finl Corp Cal**	–25.6	16 – 2⅝	8⅜	10.18	1.22	2.03	4	0.16	none	0.0
855	901	**Sperry**	–25.7	65⅝–20½	37½	51.58	1.38	5.22	7	0.41	1.92	5.1
856	870	**Longview Fibre**	–25.8	40 –14½	23¾	17.99	0.76	2.57	9	0.56	1.28	5.4
857	942	**Alexander & Alexander**	–26.0	38 –17	24¼	9.00	0.37	–0.33	def	1.21	1.00	4.1
858	874	**Dresser Industries**	–26.0	57 –12¼	19¼	24.61	1.28	0.99	19	0.41	0.80	4.2
859	833	**Halliburton**	–26.2	86⅜–21	31⅜	30.17	0.96	2.93	11	0.66	1.80	5.7
860	889	**DEKALB AgResearch**	–26.2	60¼–12¼	23¼	30.42	1.31	2.37	10	0.47	0.72	3.1
861	903	**National-Standard**	–26.5	21¼– 7⅛	14¼	22.10	1.55	1.85	8	0.21	0.40	2.8
862	300	**Levi Strauss**	–26.5	56 –19⅜	26¾	25.15	0.94	2.24	12	0.38	1.85	6.9
863	869	**Kaiser Aluminum & Chem**	–27.3	30¼–11½	14	28.07	2.01	0.36	39	0.18	0.60	4.3
863	765	**Ramada Inns**	–27.3	12½– 4¼	6	6.40	1.07	0.18	33	0.38	none	0.0
865	914	**Koppers**	–27.3	35¼–11¼	19⅝	19.38	0.99	1.12	18	0.32	0.80	4.1
866	817	**Moore McCormack Res**	–28.1	39⅞–11⅝	20½	39.42	1.92	1.91	11	0.34	1.04	5.1
867	320	**Western Union**	–28.9	54¼–13¾	15⅜	30.56	1.99	–6.50	def	0.34	none	0.0
868	855	**United Illuminating**	–29.0	29 – 9	15	31.41	2.09	5.43	3	0.39	2.00	13.3
869	930	**MAPCO**	–29.0	51⅞–20½	26	22.32	0.86	2.60	10	0.37	1.00	3.8
870	727	**Stauffer Chemical**	–29.4	31¾–14½	15⅞	23.21	1.46	0.39	41	0.46	1.44	9.1
871	937	**Inland Steel**	–29.6	36 –18⅛	22¼	44.91	2.02	–2.53	def	0.16	0.50	2.2
872	922	**Ashland Oil**	–29.9	45¾–20½	28⅛	38.77	1.38	–7.40	def	0.10	1.60	5.7
873	865	**UGI**	–30.0	36¼–16½	19¼	25.10	1.30	1.89	10	0.24	2.04	10.6
874	957	**Apple Computer**	–30.4†	62¾–10¾	23¾	6.38	0.27	1.05	23	0.94	none	0.0
875	961	**Harnischfeger**	–30.6	23¼– 5½	9⅜	9.75	1.04	0.26	36	0.31	none	0.0
876	952	**Burroughs**	–30.6	87½–27⅛	54⅜	49.12	0.90	5.18	10	0.52	2.60	4.8
877	902	**Bucyrus-Erie**	–30.6	27½–10¼	13⅞	12.62	0.91	–2.38	def	0.66	0.44	3.2
878	592	**NL Industries**	–31.2	48⅝–10⅜	11⅞	15.29	1.29	0.15	NM	0.53	0.20	1.7
879	*	**BRAE**	–31.3	27⅝– 6	11	12.32	1.12	1.18	9	0.10	none	0.0
880	909	**Clark Equipment**	–31.3	40 –18	26⅜	32.14	1.22	1.73	15	0.36	1.10	4.2
881	904	**Ideal Basic Industries**	–31.4	36¼–11¾	15⅞	23.39	1.47	–2.99	def	0.55	none	0.0
882	845	**Midland-Ross**	–31.5	30½–11¾	18¾	19.50	1.04	0.97	19	0.28	1.00	5.3

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Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank 84	Rank 83	Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
883	388	**Thorn Apple Valley**	–31.7%	9¾-4¾	5¼	$ 9.55	1.82	$ 0.27	19	0.03	none	0.0%
884	915	**Westmoreland Coal**	–31.8	33 -13½	18¾	27.19	1.45	2.12	9	0.25	$0.40	2.1
885	375	**Reading & Bates**	–31.9	39⅞-7⅝	8⅝	15.21	1.76	0.12	72	0.64	0.40	4.6
886	846	**Crown Zellerbach**	–31.9	62¾-15¼	29⅝	35.42	1.20	3.15	9	0.26	1.00	3.4
887	941	**BankAmerica**	–32.6	30¾-14½	18⅝	28.71	1.54	1.83	10	0.20	1.52	8.2
888	747	**CBI Industries**	–32.7	70⅞-24⅛	25¾	26.54	1.03	2.46	10	0.64	1.55	6.0
889	425	**ASARCO**	–33.1	58½-17¼	25	36.27	1.45	–2.97	def	0.49	none	0.0
890	548	**NIKE**	–34.5†	27¾-6⅝	6⅞	7.36	1.07	0.68	10	0.27	0.30	4.4
891	973	**HRT Industries**	–34.8	45 - 4¼	5⅝	6.31	1.17	–40.25	def	0.09	none	0.0
892	467	**Tesoro Petroleum**	–35.3	32¼-12¼	12⅜	29.28	2.37	0.59	21	0.05	0.40	3.2
893	290	**Freeport-McMoran**	–35.8	32¾-10¼	15⅝	10.00	0.64	1.27	12	1.29	0.60	3.8
894	*	**Imperial Corp of Amer**	–36.2‡	35 - 4¾	7½	12.84	1.71	–1.67	def	0.14	none	0.0
895	604	**Fluor**	–36.3	71 -11⅞	16¾	22.18	1.32	–0.23	def	0.29	0.40	2.4
896	964	**First Pennsylvania**	–37.1	9 - 2⅜	5½	8.72	1.59	–0.57	def	0.17	none	0.0
897	827	**Baker International**	–39.3	53½-15¼	16¼	14.77	0.91	1.00	16	0.62	0.92	5.7
898	921	**Xerox**	–39.6	71¾-20⅛	37½	44.40	1.18	3.05	12	0.41	3.00	8.0
899	945	**Caterpillar Tractor**	–39.8	73¼-29	32½	35.07	1.08	–1.97	def	0.47	0.50	1.5
900	572	**American Motors**	–40.0	11¼-2⅜	4⅛	1.07	0.26	0.18	23	0.11	none	0.0
901	893	**InterFirst**	–40.1	32⅝-9½	11½	16.15	1.40	1.79	6	0.32	0.60	5.2
902	949	**Eastern Air Lines**	–40.3	13⅛-3½	4⅝	3.14	0.68	–3.43	def	0.04	none	0.0
903	824	**Diamond Shamrock**	–41.7	39⅝-16½	18⅜	19.63	1.07	–0.31	def	0.51	1.76	9.6
904	948	**Dravo**	–42.0	33⅛-9¼	12	16.14	1.35	–0.49	def	0.20	0.50	4.2
905	631	**Datapoint**	–43.8	67½-10⅞	14⅝	17.49	1.20	1.29	11	0.49	none	0.0
906	792	**Holly Corp**	–44.0	19⅝-4⅞	8⅛	12.28	1.51	3.57	2	0.08	0.24	3.0
907	484	**Gulf Resources & Chem**	–44.1	37⅞-9⅝	13⅝	10.20	0.75	1.78	8	0.35	none	0.0
908	965	**Avon Products**	–45.1	42⅜-19¼	21⅝	16.15	0.75	2.25	10	0.51	2.00	9.2
909	926	**Long Island Lighting**	–45.3	18 - 3¾	8	19.30	2.41	3.01	3	0.45	none	0.0
910	233	**Global Marine**	–45.8	36½-4	5⅝	16.12	2.87	–0.45	def	0.44	0.24	4.3
911	780	**Hughes Tool**	–46.2	48¾-12½	14	20.28	1.45	–3.79	def	0.67	0.48	3.4
912	*	**L B Foster**	–46.5‡	17½-4	7⅝	7.21	0.95	0.39	20	0.21	0.10	1.3
913	532	**Valero Energy**	–46.6	43⅞-5⅞	5⅞	18.58	3.16	–0.33	def	0.08	0.44	7.5
914	665	**Cameron Iron Works**	–46.8	67 -11⅝	13⅛	11.25	0.86	–5.74	def	0.78	0.12	0.9
915	958	**Toro**	–47.1	23⅞-5⅜	12½	8.93	0.71	0.98	13	0.30	0.20	1.6
916	295	**Western Co of North Am**	–47.4	32⅛-4½	5⅛	7.98	1.56	–0.85	def	0.40	none	0.0
917	734	**Caesars World**	–48.3	18⅞-6⅜	9¼	6.55	0.71	0.66	14	0.44	none	0.0
918	946	**Chromalloy American**	–48.9	28¼-7¼	11¾	15.98	1.36	–2.67	def	0.20	none	0.0
919	835	**Phelps Dodge**	–49.8	48½-13½	15½	39.86	2.57	–3.63	def	0.41	none	0.0
920	933	**Northwest Steel & Wire**	–51.2	29¼-12¼	12¼	25.70	2.10	–4.57	def	0.45	none	0.0
921	928	**Inco**	–52.1	33⅛-7⅞	11⅜	10.82	0.95	–1.71	def	0.78	0.20	1.8
922	920	**Pittston**	–53.7	34¾-9⅝	11⅞	14.00	1.18	–2.14	def	0.33	none	0.0
923	919	**Armco**	–55.5	41¾-9	11⅛	18.31	1.65	–4.34	def	0.17	none	0.0
924	898	**Bally Manufacturing**	–55.6	36½-14⅝	16	18.49	1.16	0.08	NM	0.31	0.20	1.3
925	968	**Savin**	–56.8	19 - 3⅜	6⅜	3.68	0.58	–3.80	def	0.32	none	0.0
926	908	**Amer Hoist & Derrick**	–57.7	26½-8½	8⅞	19.51	2.20	–5.86	def	0.17	none	0.0
927	951	**Bird**	–59.8	21¼-4⅜	6¾	12.76	1.89	–0.90	def	0.10	none	0.0
928	810	**Kaneb Services**	–60.0	40⅛-8⅞	9¼	13.07	1.41	–0.85	def	0.56	0.40	4.3
929	943	**AMAX**	–60.5	69 -16⅞	18	24.42	1.36	–5.69	def	0.50	0.20	1.1
930	977	**Tiger International**	–61.2	28¾-4¼	7⅜	4.15	0.56	–3.79	def	0.11	none	0.0
931	400	**Mission Insurance Group**	–62.5	41 - 7½	7¾	18.09	2.33	–11.25	def	0.18	none	0.0
932	929	**Smith International**	–63.8	70¼-12½	12⅜	23.99	1.90	0.57	22	0.39	0.96	7.6
933	962	**Western Air Lines**	–63.9	11⅞-2⅜	3¾	2.16	0.58	–2.56	def	0.08	none	0.0
934	939	**Public Service Indiana**	–65.2	27½-7⅛	8⅛	27.32	3.36	2.07	4	0.48	1.00	12.3
935	916	**Parker Drilling**	–66.8	36¾-6⅛	6¼	12.12	1.94	–2.18	def	0.82	0.16	2.6
936	365	**Crown Central Petroleum**	–72.8	47⅝-11	12½	30.56	2.44	–1.18	def	0.05	none	0.0
937	831	**Cook United**	–73.6	9¾-1¼	1⅜	0.88	0.64	–8.42	def	0.02	none	0.0
938	963	**Manville**	–74.1	31⅝-4¼	6¼	33.05	5.29	1.47	4	0.08	none	0.0
939	956	**Massey-Ferguson**	–74.4	11⅝-1⅜	2⅜	–4.72	NE	–1.13	def	0.18	none	0.0
940	940	**Consumers Power**	–74.8	21⅞-4⅜	4¾	26.04	5.48	2.41	2	0.13	none	0.0
941	967	**Wickes Cos**	–75.9	17⅛-2¼	3	–14.44	NE	0.92	4	0.02	none	0.0
942	762	**NVF**	–77.4	7⅛-1	1⅛	0.99	0.38	–0.46	def	0.08	none	0.0
943	959	**Allis-Chalmers**	–77.6	37⅛-6¼	7¾	16.19	2.09	–5.37	def	0.08	none	0.0
944	906	**Storage Technology**	–81.3	40⅛-2	3¼	14.70	4.52	–3.52	def	0.13	none	0.0
945	972	**International Harvester**	–82.1	39⅜-2¾	7	–28.96	NE	–2.73	def	0.11	none	0.0

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in the stock market

Rank		Company	5-year price change	1980-84 price range	Recent price	Book value (per share)	Book value/ recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield
84	83											
946	966	**Pettibone**	–82.7%	29¼– 3⅜	3⅜	$ 6.07	1.67	$–8.07	def	0.05	none	0.0%
947	976	**AM International**	–83.6	24⅜– ¾	2¾	–1.56	NE	0.89	3	0.18	none	0.0
948	938	**Evans Products**	–83.8	24⅛– 3⅛	3¼	10.31	3.17	–5.65	def	0.03	none	0.0
949	*	**Geo International**	–84.3‡	46½– 5	5¼	10.16	1.94	–0.88	def	0.22	none	0.0
950	944	**Oak Industries**	–84.5	38½– 2⅞	3	5.27	1.76	–5.87	def	0.12	none	0.0
951	975	**Rath Packing**	–93.0	8¼– ¼	⅜	1.30	3.47	–3.00	def	0.00	none	0.0
952	894	**Tosco**	–94.4	45⅛– 1⅛	1¼	–5.62	NE	–10.66	def	0.02	none	0.0
953	428	**Charter**	–95.3	44¼– 1½	1⅜	28.89	17.78	–44.84	def	0.00	none	0.0
**		**Amer Info Technology**	.	76⅞–32	73⅜	83.33	1.14	NA	NA	0.84	$6.00	8.2
**		**American President**		36⅝–18⅜	33⅜	28.82	0.86	8.35	4	0.45	none	0.0
**		**Amer Tel & Tel**		21¼–14⅞	18¾	NA	NA	NA	NA	NA	1.20	6.4
**		**Bell Atlantic**		80¼–65	77⅛	85.93	1.11	NA	NA	0.93	6.40	8.3
**		**BellSouth**		34¼–27¼	32¼	107.74	3.34	NA	NA	0.99	2.60	8.1
**		**Big Bear**		15 – 8¼	9¾	8.17	0.84	1.58	6	0.08	none	0.0
**		**Bindley Western Inds**		21⅝–13½	21	9.46	0.45	1.28	16	0.12	none	0.0
**		**Bowater**		25⅛–14⅞	21⅜	13.38	0.63	2.11	10	0.69	0.18	0.8
**		**CalFed**		30 –11⅜	15⅛	36.42	2.41	NA	NA	0.16	0.32	2.1
**		**Centex**		25½–17	23¾	20.56	0.87	2.51	9	0.38	none	0.0
**		**CIGNA**		55⅝–27	38½	66.74	1.73	1.21	32	0.20	2.60	6.8
**		**Continental Illinois**		4½– ½	⅝	43.14	69.02	–27.57	def	0.01	none	0.0
**		**Delchamps**		14⅛– 9¾	13¾	8.51	0.62	1.35	10	0.16	0.28	2.0
**		**FoxMeyer**		28½–20	23¾	11.88	0.50	1.39	17	0.27	none	0.0
**		**Glendale Federal S&L**		13½– 6¾	8	29.13	3.64	2.36	3	0.14	none	0.0
**		**Great Amer First Savings**		13½– 8⅛	12¼	26.11	2.13	NA	NA	0.24	0.40	3.3
**		**Gulfstream Aerospace**		23½–13½	14¼	5.69	0.40	1.67	9	0.78	0.55	3.9
**		**Home Federal S&L Cal**		25¼–11¾	18⅛	27.34	1.51	2.72	7	0.42	none	0.0
**		**Inspiration Resources**		14⅞– 4¾	5⅛	17.12	3.34	–2.25	def	0.18	none	0.0
**		**Jefferson Smurfit**		27 –15	19½	9.86	0.51	2.20	9	0.28	0.40	2.1
**		**Keystone Consol Inds**		6⅜– 2¾	2⅞	18.50	6.43	–4.06	def	0.03	none	0.0
**		**KN Energy**		56 –15⅛	30⅛	15.61	0.52	2.19	14	0.57	1.48	4.9
**		**Lafarge**		12⅞– 8⅜	9⅜	10.17	1.08	–0.10	def	0.38	0.20	2.1
**		**Louisiana Land & Explor**		34⅞–22¼	31⅛	20.54	0.66	3.10	10	0.65	1.00	3.2
**		**Mack Trucks**		22⅛–13¼	13¾	16.87	1.23	3.52	4	0.22	none	0.0
**		**McLean Industries**		15½– 8⅛	11⅝	7.08	0.61	1.13	10	0.49	none	0.0
**		**NI Industries**		24½–13	16½	6.85	0.42	2.37	7	0.46	none	0.0
**		**Norfolk Southern**		70⅝–40¼	56½	66.34	1.17	7.55	7	1.01	3.20	5.7
**		**NYNEX**		74⅞–58⅝	72⅞	83.92	1.15	NA	NA	0.75	6.00	8.2
**		**Pabst Brewing**		16½– 2⅜	9⅜	5.97	0.64	–0.45	def	0.09	none	0.0
**		**Pacific Telesis Group**		69½–51¼	65½	70.24	1.07	NA	NA	0.82	5.40	8.2
**		**Perini**		31 – 8¾	26⅜	30.68	1.16	2.35	11	0.10	0.80	3.0
**		**PNC Financial**		46¼– 9⅛	44¾	36.70	0.82	6.07	7	0.69	2.32	5.2
**		**Price Co**		48 – 6⅛	43¼	3.09	0.07	1.27	34	0.85	none	0.0
**		**RLC**		12¼– 3⅞	7⅞	5.22	0.66	0.83	9	0.38	0.20	2.5
**		**Rollins**		13½– 3⅜	8⅞	1.40	0.16	0.64	14	0.82	0.46	5.2
**		**Santa Fe Southern Pacific**		35¼–20¼	24⅞	30.20	1.21	2.49	10	0.72	1.00	4.0
**		**Sea-Land**		21½–14⅜	18¼	30.11	1.65	NA	NA	0.24	0.48	2.6
**		**Southwestern Bell**		69¼–55	65⅛	77.22	1.19	NA	NA	0.88	5.60	8.6
**		**Sovran Financial**		38 – 9	37¼	25.99	0.70	4.36	9	0.69	1.68	4.5
**		**Student Loan Marketing**		34½–20¾	32	6.14	0.19	1.79	18	1.15	0.16	0.5
**		**Temple-Inland**		37¾–25⅜	34½	29.12	0.84	NA	NA	0.66	0.50	1.4
**		**Time Inc**		48⅞–33¾	41¼	13.54	0.33	2.95	14	0.84	0.82	2.0
**		**Trans World Airlines**		18⅜– 7⅛	9⅝	15.93	1.66	NA	NA	0.09	none	0.0
**		**Transworld**		33½– 7½	30½	11.41	0.37	2.71	11	0.43	0.40	1.3
**		**Tribune**		33⅞–24	32¾	19.10	0.58	2.56	13	0.76	0.84	2.6
**		**U S West**		68 –55⅛	65⅝	75.97	1.16	NA	NA	0.87	5.40	8.2

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1984. *Not ranked. **Not comparable because of change in ownership, size or corporate structure. †Four-year price change. ‡Three-year price change. ††Price change does not reflect the value of shares received in a spinoff. def: deficit. NM: Not meaningful. NE: Negative equity. NA: Not available.

Sources: Media General Financial Services, Inc.; Forbes

WHO'S WHERE IN PROFITABILITY?

It's difficult to lead this list, but it's even tougher to stay on top. As current performance indicates, many leaders have started to tumble.

THIS TABLE RANKS the 1,000 companies surveyed in this issue on the basis of long-term profitability. But pay attention to more than where a firm falls in the roster. Business today is often much better or much worse than the long-term numbers indicate.

MCI, which leads the pack, is a perfect example. Its long-term profitability is impressive. But the telecommunications carrier missed its average by a wide mark during the most recent 12 months. Read the industry analysis on page 208, and you'll realize MCI's historic return on equity is high in part because of a preferred stock issue that reduced its common equity base.

This isn't a unique situation. A number of firms sport extraordinarily high returns on equity because they have borrowed unusual amounts of money. Jefferson Smurfit has a debt-to-equity ratio of 1.7. This is well above the median for the packaging industry, and the extra leverage increases the risk associated with managing the company.

That's why few companies remain at the top of this list very long. Of the 50 profit leaders in the Forbes 1975 Annual Report on American Industry, only 3 are still in that select group: GEICO, American Home Products and Charter Co. Charter's stay will surely be short. Though profits were spectacular when oil prices were high, it filed for bankruptcy last year.

Understand how hard it is to lead this roster, then, and it is no surprise that only 4 of the top 50 firms here—ServiceMaster, Limited, Dun & Bradstreet and Pioneer—managed to match their long-term profitability in the most recent 12 months. Another 4 actually posted deficits for the current period: Financial Corp. of America, Coleco, Charter and Global Marine. When a company ranks among this elite, it's far more likely that trouble will develop than that things will improve.

That's why the most useful way to read these tables may be from the bottom up. Turn to page 259, which is littered with once-troubled companies. Scan the current performance column, however, and you'll see quite a few impressive numbers. A decade from now these turnaround candidates might rank near the top of this roster. ■

Who's where in profitability

		Return on equity	
Company	rank	5-year average	latest 12 months
MCI Communications	1	125.3%	3.7%
Apple Computer	2	113.8	17.0
Lockheed	3	87.1	38.3
NIKE	4	83.2	10.0
Price Co	5	65.7	41.4
FoxMeyer	6	64.1	11.6
Subaru of America	7	59.8	39.0
Jefferson Smurfit	8	54.1	22.1
Financial Corp of Amer	9	54.0	def
Coleco Industries	10	50.0	def
Tandy	11	49.4	24.6
Comdisco	12	46.7	15.5
Rolm	13	46.5	8.1
Big Bear	14	46.3	23.8
Charter	15	45.2	def
Prime Computer	16	44.3	20.5
Standard Oil Ohio	17	42.4	18.8
Bergen Brunswig	18	41.1	14.7
ServiceMaster Inds	19	40.8%	49.5%
Humana	20	38.3	30.8
Federal Express	21	37.7	15.5
Limited	22	37.3	43.2
Phibro-Salomon	23	36.7	20.7
GEICO	24	36.3	24.5
Pulte Home	25	35.9	17.6
SmithKline Beckman	26	35.7	24.5
Student Loan Marketing	27	35.7	28.9
Wal-Mart Stores	28	35.6	33.6
James River Corp of Va	29	35.4	24.7
Allied Corp	30	35.4	2.7
Wang Laboratories	31	34.5	20.3
Mitchell Energy & Dev	32	34.3	13.3
American Home Products	33	34.0	32.9
Bindley Western Ind	34	33.8	13.3
Schlumberger Limited	35	33.6	19.4
Texas Oil & Gas	36	33.4	29.0
Occidental Petroleum	37	33.2%	13.8%
Todd Shipyards	38	33.0	17.7
Dow Jones	39	32.7	30.7
Food Lion	40	32.2	27.6
G Heileman Brewing	41	31.9	21.3
Global Marine	42	31.6	def
Dun & Bradstreet	43	31.6	88.5
L B Foster	44	31.1	5.3
E F Hutton Group	45	30.8	6.3
First Executive	46	30.6	12.8
Pioneer	47	30.6	37.7
EG&G	48	30.3	24.5
Tesoro Petroleum	49	30.2	2.7
Toys "R" Us	50	29.8	22.0
First Boston	51	29.7	19.6
Deluxe Check Printers	52	29.2	29.7
MEI	53	28.9	25.4
General Cinema	54	28.9	87.8

def: Deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

Company	rank	Return on equity	
		5-year average	latest 12 months
Natl Convenience Stores	55	28.9%	24.1%
Allied Bancshares	56	28.7	23.9
Marsh & McLennan Cos	57	28.6	15.4
Emery Air Freight	58	28.4	26.2
SCOA Industries	59	28.2	20.5
VF	60	28.0	30.9
Worthington Industries	61	27.7	21.9
Kellogg	62	27.7	25.4
Tyco Laboratories	63	27.6	20.3
SEDCO	64	27.6	23.0
Allegheny Beverage	65	27.1	17.5
Super Valu Stores	66	27.0	26.9
Church's Fried Chicken	67	26.2	14.2
Melville	68	26.1	22.1
Wendy's International	69	26.1	21.4
Savannah Foods & Inds	70	26.0	20.2
ConAgra	71	26.0	17.8
Shaklee	72	26.0	8.7
Piedmont Aviation	73	25.8	19.3
Teledyne	74	25.8	12.0
Pennzoil	75	25.7	17.8
Litton Industries	76	25.5	17.4
Turner Construction	77	25.2	24.2
Kelly Services	78	25.1	28.3
American Stores	79	25.0	26.1
Dover	80	25.0	19.9
PHH Group	81	24.7	18.6
Fairchild Industries	82	24.6	8.9
R J Reynolds Industries	82	24.6	19.0
Abbott Laboratories	84	24.6	27.2
AMP	85	24.4	25.9
Computer Sciences	85	24.4	12.3
Freeport-McMoran	87	24.4	12.5
Nucor	87	24.4	14.9
Fort Howard Paper	89	24.3	17.4
Maytag	90	24.3	28.3
Chicago & North Western	91	24.3	14.2
Hilton Hotels	92	24.3	14.7
Guardian Industries	93	24.2	18.7
Nalco Chemical	94	24.2	21.7
Alexander & Alexander	95	24.2	def
Avon Products	96	24.1	14.1
Levi Strauss	97	24.1	8.7
Mission Insurance Group	98	24.0	def
Philip Morris	99	23.9	24.7
Western Co of North Am	99	23.9	def
Kaneb Services	101	23.8	def
Amer Medical Intl	102	23.8	28.3
Rite Aid	102	23.8	24.2
Waste Management	104	23.7	17.2
Fremont General	105	23.7	def
Pioneer Hi-Bred Intl	106	23.6	19.6
IBM	107	23.6	27.0
Republic New York	108	23.6	15.4
Advanced Micro Devices	109	23.6	47.1
Trinity Industries	109	23.6	def
Trust Co of Georgia	111	23.5	26.1
Houston Natural Gas	112	23.5	11.8
Albertson's	113	23.5	19.6
Ames Department Stores	113	23.5	23.8
Dean Foods	115	23.5	23.3
Brown-Forman	116	23.4	14.4
Entex	117	23.4	21.3

Company	rank	Return on equity	
		5-year average	latest 12 months
Bristol-Myers	118	23.3%	24.2%
USAir Group	118	23.3	20.1
United Energy Resources	120	23.2	7.2
Raytheon	121	23.2	12.0
Resorts International	122	22.9	5.9
Beverly Enterprises	123	22.9	11.5
Lear Siegler	124	22.9	17.0
McDonald's	124	22.9	21.5
Bruno's	126	22.9	26.0
Merck	127	22.8	19.8
Washington Post	128	22.7	25.1
McGraw-Hill	129	22.7	22.8
Capital Cities Commun	130	22.7	21.1
Big V Supermarkets	131	22.6	5.5
Natl Medical Enterprises	131	22.6	18.0
Tosco	133	22.4	NE
Coca-Cola	134	22.4	21.3
Rorer Group	135	22.4	19.9
Snap-On Tools	135	22.4	22.3
Lucky Stores	137	22.3	16.8
Eli Lilly	138	22.2	23.0
American Brands	139	22.2	19.4
Atlantic Richfield	140	22.2	6.5
Geo International	141	22.2	def
Boeing	142	22.2	25.0
Petrie Stores	143	22.1	16.7
Gannett	144	22.0	20.6
Valero Energy	145	22.0	def
Amer International Grp	146	21.9	14.6
Murphy Oil	146	21.9	10.0
Anixter Bros	148	21.9	8.2
Cullum Companies	149	21.9	15.8
Sanders Associates	150	21.9	15.4
Chesebrough-Pond's	151	21.8	17.4
Emerson Electric	152	21.8	20.5
Pay Less Drug Stores NW	153	21.8	20.8
Texas Commerce Bancshrs	154	21.6	17.9
Browning-Ferris Inds	155	21.6	22.3
Supermarkets General	155	21.6	17.1
Hospital Corp of Amer	157	21.6	18.2
Midlantic Banks	158	21.6	18.0
Amerada Hess	159	21.5	9.2
Cabot	160	21.5	14.4
General Re	161	21.5	9.8
Loews	162	21.4	19.2
Revco D S	163	21.4	22.5
Intl Flavors & Frag	164	21.4	19.9
Marriott	165	21.3	20.5
Sundstrand	166	21.3	11.9
United States Shoe	167	21.3	16.0
Martin Marietta	168	21.3	def
Merrill Lynch	169	21.3	1.3
Service Merchandise	170	21.2	17.6
Minn Mining & Mfg	171	21.2	19.7
Winn-Dixie Stores	172	21.2	19.5
Walgreen	173	21.1	24.3
IU International	174	21.1	5.3
Foster Wheeler	175	21.1	9.1
American Express	176	21.1	10.3
Old Republic Intl	177	21.0	19.6
Blount	178	21.0	23.5
Cooper Tire & Rubber	179	21.0	16.3
Cameron Iron Works	180	21.0	def

Company	rank	Return on equity	
		5-year average	latest 12 months
Payless Cashways	181	20.9%	16.2%
Bally Manufacturing	182	20.9	0.4
Roadway Services	183	20.9	18.6
Square D	184	20.9	20.9
Gap Stores	185	20.9	15.7
G D Searle	186	20.8	20.7
Cooper Industries	187	20.8	7.9
Pitney Bowes	188	20.8	23.7
Anheuser-Busch Cos	189	20.8	20.4
Weis Markets	189	20.8	19.2
Storage Technology	191	20.8	def
Sysco	192	20.7	17.6
Intel	193	20.7	19.8
Warnaco	194	20.7	16.0
Transco Energy	195	20.6	16.4
Wyman-Gordon	195	20.6	13.3
Auto Data Processing	197	20.6	17.1
Equifax	198	20.5	21.9
Giant Food	199	20.5	22.0
Combined International	200	20.5	19.7
Morton Thiokol	200	20.5	19.4
Whittaker	202	20.4	15.0
Lubrizol	203	20.4	14.2
Masco	204	20.4	17.0
Purolator Courier	205	20.4	10.0
R H Macy	206	20.4	20.0
Genuine Parts	207	20.4	18.3
General Electric	208	20.4	19.6
Bowater	209	20.3	16.8
MCorp	210	20.3	15.4
Ametek	211	20.3	23.8
Ashland Oil	211	20.3	def
Reading & Bates	213	20.2	1.1
Hannaford Bros	214	20.2	17.0
Baker International	215	20.2	6.8
Cox Communications	216	20.1	16.9
Hewlett-Packard	217	20.1	23.0
E-Systems	218	20.1	24.8
Exxon	219	20.1	19.4
Banc One	220	20.1	19.4
Parker Drilling	221	20.0	def
Johnson & Johnson	222	19.9	15.6
Natl Service Industries	223	19.9	18.4
Hershey Foods	224	19.9	17.5
Louisiana Laud & Explor	224	19.9	15.0
Flowers Industries	226	19.9	18.7
Procter & Gamble	227	19.8	17.4
New York Times	228	19.8	22.8
Ryder System	229	19.8	20.6
BRAE	230	19.7	8.8
General Dynamics	231	19.7	28.1
M/A-Com	231	19.7	9.8
Warner Communications	233	19.7	def
Paine Webber Group	234	19.6	3.8
Engelhard	235	19.6	10.7
Standard Oil Indiana	236	19.6	17.5
Interpublic Group	237	19.6	20.6
SONAT	238	19.6	16.3
H J Heinz	239	19.5	22.0
Consol Freightways	240	19.4	13.1
Upjohn	241	19.4	16.4
Alco Standard	242	19.4	15.5
MAPCO	243	19.3	12.2

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

		Return on equity	
Company	rank	5-year average	latest 12 months
State Street Boston	244	19.3%	19.6%
CBI Industries	245	19.3	9.3
Unocal	246	19.3	14.0
Arkla	247	19.2	12.1
Times Mirror	247	19.2	20.6
Vulcan Materials	249	19.2	17.2
Fluor	250	19.2	def
Longs Drug Stores	251	19.1	16.9
General Mills	252	19.1	17.5
Std Commercial Tobacco	252	19.1	14.7
CNA Financial	254	19.1	11.5
Nabisco Brands	255	19.1	17.7
Universal Leaf Tobacco	256	19.0	19.3
H H Robertson	257	19.0	8.5
Pacific Resources	258	19.0	def
Fleming Cos	259	19.0	17.8
Shell Oil	260	18.9	15.3
PepsiCo	261	18.9	11.2
Gillette	262	18.9	20.9
Panhandle Eastern	262	18.9	10.5
General Instrument	264	18.8	5.3
Fleet Financial Group	265	18.7	18.5
Centex	266	18.7	12.2
Pfizer	267	18.7	22.8
Baxter Travenol Labs	268	18.7	15.7
Rockwell International	269	18.7	21.2
Consolidated Papers	270	18.6	20.0
Ohio Casualty	271	18.6	5.6
Clorox	272	18.5	21.7
Gelco	273	18.5	6.4
Meredith	273	18.5	18.0
Amer Broadcasting Cos	275	18.5	15.8
Farmers Group	276	18.5	16.9
TRW	277	18.4	16.3
Bankers Trust New York	278	18.4	17.1
Nordstrom	279	18.4	16.2
American Standard	280	18.4	14.0
Harvey Hubbell	280	18.4	17.4
Barnett Banks of Fla	282	18.4	20.2
Southwestern Public Svc	282	18 4	21.8
Chevron	284	18.4	10.7
Phillips Petroleum	285	18.3	14.4
Halliburton	286	18.3	9.6
Curtice-Burns	287	18.3	20.1
Stop & Shop Cos	288	18.3	19.3
Briggs & Stratton	289	18.2	15.3
Dayton-Hudson	290	18.2	16.4
Jerrico	291	18.2	12.2
United Telecom	292	18.2	14.0
ENSERCH	293	18.2	6.5
Sun Company	293	18.2	8.9
Kimberly-Clark	295	18.1	14.3
Tidewater	295	18.1	def
Bank of New England	297	18.1	15.4
Palm Beach	298	18.1	16.1
Amer Hospital Supply	299	18.0	16.5
Iowa-Illinois Gas & El	299	18.0	15.4
Perkin-Elmer	301	18.0	13.9
First Union	302	18.0	19.0
Carnation	303	18.0	18.0
RepublicBank	304	17.9	11.6
Rohr Industries	304	17.9	26.0
Avnet	306	17.9	15.6
Centel	306	17.9%	16.6%
General Host	306	17.9	9.7
Northwest Industries	309	17.9	def
CPC International	310	17.8	10.5
W W Grainger	310	17.8	16.0
United Technologies	312	17.8	17.4
Schering-Plough	313	17.8	13.7
Ruddick	314	17.8	17.5
Zapata	314	17.8	6.0
Smithfield Foods	316	17.8	5.6
Denny's	317	17.7	15.2
Edison Brothers Stores	317	17.7	16.1
Security Pacific	319	17.7	15.8
Media General	320	17.6	15.7
Brown Group	321	17.6	17.1
Pillsbury	321	17.6	17.4
Raychem	321	17.6	10.9
Amer Natural Resources	324	17.5	17.8
Hanover Insurance Cos	324	17.5	6.6
Mobil	326	17.5	10.3
Digital Equipment	327	17.5	12.2
Whirlpool	327	17.5	19.3
American General	329	17.5	15.5
Illinois Tool Works	329	17.5	16.5
Leaseway Transportation	329	17.5	12.2
Eastman Kodak	332	17.4	11.1
Brunswick	333	17.4	24.0
Harris Corp	333	17.4	12.0
Southland	335	17.4	14.8
MGM Grand Hotels	336	17.3	NE
First Atlanta	337	17.3	19.6
Texas Eastern	338	17.3	11.9
Jack Eckerd	339	17.3	15.0
Frontier Holdings	340	17.2	def
Consolidated Foods	341	17.2	20.3
Dexter	342	17.1	15.1
InterNorth	343	17.1	16.2
McCormick	343	17.1	28.7
Oneok	345	17.1	12.4
Sonoco Products	346	17.1	17.4
Big Three Industries	347	17.0	8.4
Wachovia	347	17.0	19.3
Swift Independent	349	17.0	12.2
Air Products & Chems	350	17.0	13.4
Handy & Harman	351	16.9	10.6
Southern Union	351	16.9	7.8
Moore Corp	353	16.9	13.1
NCNB	354	16.9	18.4
USF&G	355	16.9	11.2
United Illuminating	356	16.8	26.3
Fischbach	357	16.8	7.6
Dynalectron	358	16.8	9.6
General Foods	358	16.8	17.4
Public Service Indiana	358	16.8	7.6
United Virginia Bankshrs	358	16.8	16.9
Culbro	362	16.7	10.4
Tyler	363	16.7	20.4
Datapoint	364	16.7	8.0
Knight-Ridder Newspapers	365	16.7	16.7
American Greetings	366	16.7	17.9
Ralston Purina	366	16.7	22.0
Tenneco	366	16.7	11.8
Tektronix	369	16.7	17.1
Holly Corp	370	16.7%	41.3%
Bausch & Lomb	371	16.7	15.0
Circle K	371	16.7	32.2
First City Bancorp	373	16.6	5.2
Morrison-Knudsen	374	16.6	13.0
Combustion Engineering	375	16.6	def
Universal Foods	376	16.6	10.2
Revlon	377	16.6	11.9
Valley National	377	16.6	12.6
Zurn Industries	377	16.6	9.5
Emhart	380	16.5	18.4
J P Morgan	381	16.5	15.8
PNC Financial	381	16.5	17.3
Scott & Fetzer	383	16.5	18.8
Kemper	384	16.5	3.5
Ball Corp	385	16.5	17.1
Sterling Drug	386	16.4	15.5
Tecumseh Products	387	16.4	18.0
Archer Daniels Midland	388	16.3	7.3
First Interstate Bancorp	388	16.3	13.5
R R Donnelley & Sons	390	16.3	18.1
Figgie Intl Holdings	391	16.3	11.0
Hughes Tool	392	16.3	def
Witco Chemical	393	16.3	18.6
American Petrofina	394	16.3	8.8
Dibrell Brothers	395	16.2	32.5
Gerber Products	396	16.2	16.2
Federal-Mogul	397	16.2	15.6
Norstar Bancorp	397	16.2	17.1
Saga	397	16.2	23.5
Thrifty Corp	397	16.2	20.5
Mercantile Stores	401	16.1	16.2
Texas Utilities	401	16.1	16.6
MCA	403	16.1	8.8
Kroger	404	16.1	13.3
Crown Central Petroleum	405	16.0	def
Citizens & Southern Ga	406	16.0	18.0
CBT	407	16.0	14.1
Dillard Dept Stores	408	16.0	21.0
Lowe's Companies	409	16.0	19.6
Avery International	410	15.9	18.7
Oxford Industries	410	15.9	19.2
Texas American Bancshrs	412	15.9	12.0
Brooklyn Union Gas	413	15.9	15.6
Fuqua Industries	414	15.9	27.6
Diversified Energies	415	15.8	22.1
Idle Wild Foods	416	15.8	7.3
McKesson	416	15.8	12.6
Westinghouse Electric	418	15.8	15.0
Sovran Financial	419	15.8	17.2
Parker-Hannifin	420	15.8	16.6
Seaway Food Town	421	15.8	4.5
Motorola	422	15.7	20.3
Alltel	423	15.7	14.9
Chubb	424	15.7	6.9
General Signal	424	15.7	12.6
Sun Chemical	424	15.7	7.0
New England Elec System	427	15.7	18.2
U S Bancorp	427	15.7	11.6
A E Staley Mfg	429	15.7	5.4
Citicorp	430	15.7	15.2
Johnson Controls	430	15.7	16.6
Mercantile Bancorp	430	15.7	13.3

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

		Return on equity	
Company	rank	5-year average	latest 12 months
McLean Industries	433	15.6%	16.7%
Continental Telecom	434	15.6	15.0
May Department Stores	434	15.6	17.6
Insilco	436	15.6	12.9
Union Camp	437	15.6	15.3
Cincinnati Milacron	438	15.5	5.0
Xerox	439	15.5	6.9
A H Robins	440	15.5	9.7
Southeast Banking	441	15.5	12.3
Central & South West	442	15.5	15.8
Northrop	443	15.5	26.2
Dennison Manufacturing	444	15.4	16.2
W R Grace	445	15.4	8.9
Coastal Corp	446	15.4	18.7
Bank of Boston	447	15.4	12.0
So California Edison	447	15.4	17.1
Waldbaum	449	15.3	11.4
Stanadyne	450	15.3	21.6
CBS	451	15.3	16.5
Quaker Oats	452	15.3	19.5
Illinois Power	453	15.2	17.9
Texaco	454	15.2	7.6
First Natl State Bancorp	455	15.2	27.6
Kansas Power & Light	456	15.2	19.2
Wisconsin Power & Light	457	15.2	15.0
Holiday Inns	458	15.1	12.5
PACCAR	458	15.1	18.0
Carpenter Technology	460	15.1	11.5
Pacific Lighting	461	15.1	10.0
Chemical New York	462	15.1	14.5
TECO Energy	463	15.1	17.1
Transamerica	464	15.1	7.6
BayBanks	465	15.1	13.5
Heck's	465	15.1	3.4
Intl Minerals & Chem	465	15.1	8.8
NCR	468	15.1	16.3
St Paul Cos	468	15.1	def
Gates Learjet	470	15.0	7.0
Bank of New York	471	15.0	16.8
Donaldson, Lufkin	471	15.0	14.3
Alexander & Baldwin	473	15.0	16.4
Commercial Metals	474	15.0	8.4
Zayre	475	15.0	18.7
Montana Power	476	15.0	9.1
KN Energy	477	15.0	14.0
Wm Wrigley Jr	477	15.0	16.7
North American Coal	479	15.0	23.1
Irving Bank	480	15.0	12.5
Dart & Kraft	481	14.9	15.4
Campbell Soup	482	14.9	16.6
Commonwealth Energy	483	14.9	21.3
Long Island Lighting	484	14.9	16.7
Beatrice	485	14.8	22.2
Golden West Financial	485	14.8	33.2
American Family	487	14.8	15.9
CoreStates Financial	487	14.8	18.1
Sun Banks	487	14.8	12.7
Arizona Public Service	490	14.8	14.9
GTE	490	14.8	16.2
IPALCO Enterprises	490	14.8	15.7
Provident Life & Acc	490	14.8	14.5
Questar	494	14.8	16.2
Best Products	495	14.8	8.2

		Return on equity	
Company	rank	5-year average	latest 12 months
Northern States Power	496	14.7%	17.3%
Marsh Supermarkets	497	14.7	5.2
Kaman	498	14.7	18.4
Intl Multifoods	499	14.7	10.9
NL Industries	499	14.7	0.9
Newmont Mining	501	14.7	2.6
Rohm & Haas	501	14.7	19.4
Stanley Works	503	14.7	16.3
E I Du Pont de Nemours	504	14.7	13.0
National Semiconductor	505	14.6	16.2
PacifiCorp	505	14.6	18.6
Rose's Stores	505	14.6	18.9
Pay'n Save	508	14.6	10.5
Safeco	509	14.6	13.0
Manufacturers Hanover	510	14.6	12.0
Ethyl	511	14.6	14.6
Iowa Resources	512	14.5	14.5
NY State Electric & Gas	512	14.5	16.4
Peoples Energy	512	14.5	19.3
First Security	515	14.5	2.6
George A Hormel	516	14.5	11.2
Federated Dept Stores	517	14.5	12.9
Blue Bell	518	14.5	10.8
Munford	518	14.5	15.4
PSA	520	14.5	def
Huntington Bancshares	521	14.4	15.4
Business Men's Assur	522	14.4	12.0
First Bank System	523	14.4	11.7
Duke Power	524	14.4	15.0
San Diego Gas & Elec	524	14.4	17.3
Tyson Foods	524	14.4	27.2
LTV	527	14.4	def
Wisconsin Public Service	527	14.4	17.0
Consol Natural Gas	529	14.4	16.2
Aetna Life & Casualty	530	14.4	4.8
Chase Manhattan	530	14.4	10.8
PPG Industries	532	14.4	16.5
Kansas City Power & Lt	533	14.3	19.2
Honeywell	534	14.3	12.9
Cleveland Electric	535	14.3	17.6
Ogden	536	14.3	11.6
Wells Fargo	537	14.3	12.5
Colgate-Palmolive	538	14.3	14.5
Data General	539	14.2	17.0
Gordon Jewelry	539	14.2	11.8
Hercules	539	14.2	15.8
Allegheny Power System	542	14.2	15.4
USLIFE	543	14.2	9.8
Gulf States Utilities	544	14.2	14.0
Kidde	544	14.2	12.5
Nash Finch	544	14.2	12.8
Travelers	547	14.2	10.9
U S Home	548	14.1	def
Liquid Air	549	14.1	9.7
Columbia Gas System	550	14.1	12.5
Quaker State Oil	551	14.1	10.8
Wisconsin Elec Power	552	14.1	17.5
Capital Holding	553	14.1	13.7
Norfolk Southern	553	14.1	11.4
Borg-Warner	555	14.1	14.0
Smith International	556	14.0	2.3
Norton	557	14.0	9.8
Portland General Elec	557	14.0	19.2

		Return on equity	
Company	rank	5-year average	latest 12 months
Squibb	557	14.0%	15.5%
Ex-Cell-O	560	14.0	11.8
Maryland National	560	14.0	13.4
Rainier Bancorporation	562	14.0	15.1
Alcan Aluminium	563	14.0	10.0
Seagram	563	14.0	13.9
Stone Container	565	14.0	7.4
Central Hudson Gas & El	566	13.9	16.7
Farm House Food	567	13.9	7.7
K mart	567	13.9	18.5
Niagara Mohawk Power	567	13.9	16.8
Mellon Bank	570	13.9	11.5
Harcourt Brace	571	13.9	18.1
Earle M Jorgensen	572	13.9	6.5
Dow Chemical	573	13.9	10.8
InterFirst	574	13.8	10.3
CFS Continental	575	13.8	16.3
Greyhound	576	13.8	8.9
Houston Industries	577	13.8	15.9
Middle South Utilities	577	13.8	16.0
Cincinnati Gas & Elec	579	13.8	12.4
National Can	580	13.7	12.0
Parker Pen	580	13.7	7.5
Dayton Power & Light	582	13.7	11.5
Safeway Stores	583	13.7	13.2
MidCon	584	13.7	13.6
Union Electric	585	13.6	25.9
North American Philips	586	13.6	14.7
Kay	587	13.5	7.2
United States Gypsum	588	13.5	23.6
Orange & Rockland Utils	589	13.5	14.6
Great Northern Nekoosa	590	13.4	14.2
Central Illinois Pub Svc	591	13.4	12.8
Hoover Universal	591	13.4	18.0
Wetterau	593	13.4	15.4
McDonnell Douglas	594	13.4	15.3
BankAmerica	595	13.4	6.4
Pacific Gas & Electric	596	13.3	15.0
Norwest	597	13.3	5.1
First Wisconsin	598	13.3	10.6
Joy Manufacturing	598	13.3	6.5
NICOR	598	13.3	7.1
Kerr-McGee	601	13.3	6.8
Caesars World	602	13.3	13.6
Commonwealth Edison	603	13.3	15.7
Consolidated Edison	604	13.3	15.5
Harsco	605	13.3	10.0
H J Wilson	606	13.2	4.8
Laclede Gas	607	13.2	20.1
Federal Paper Board	608	13.2	20.8
Rochester Gas & Elec	608	13.2	16.3
Torchmark	610	13.2	15.7
Toledo Edison	611	13.2	15.5
Union Pacific	612	13.2	7.7
Baltimore Gas & Elec	613	13.1	17.0
Southern Company	613	13.1	18.0
Interco	615	13.1	10.6
FMC	616	13.1	15.6
ITT	617	13.1	9.1
Pennsylvania Power & Lt	617	13.1	13.2
Dresser Industries	619	13.1	4.0
Univar	619	13.1	17.3
Amsted Industries	621	13.1	6.8

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

		Return on equity	
Company	rank	5-year average	latest 12 months
Life Investors	621	13.1%	11.9%
So New England Tel	621	13.1	14.4
Federal Co	624	13.1	20.8
Florida Power & Light	624	13.1	12.7
Echlin	626	13.0	18.9
Grumman	627	13.0	23.7
Central Illinois Light	628	13.0	13.1
Eastern Gas & Fuel	629	13.0	13.3
Ohio Edison	629	13.0	17.0
Amer District Telegraph	631	13.0	6.3
Potomac Electric Power	632	13.0	17.0
International Paper	633	13.0	7.1
Oklahoma Gas & Electric	634	12.9	14.5
Borden	635	12.9	13.8
Becton, Dickinson	636	12.9	10.6
Carolina Power & Light	637	12.9	14.7
Levitz Furniture	638	12.9	21.0
National City	638	12.9	14.0
Delmarva Power & Light	640	12.8	16.0
Westvaco	641	12.8	15.8
Ryan Homes	642	12.8	10.6
Fidelcor	643	12.8	15.6
Northeast Utilities	644	12.7	20.3
So Carolina Elec & Gas	644	12.7	16.7
Allied Stores	646	12.7	13.4
Signal Cos	647	12.6	10.4
Perini	648	12.6	7.8
Atlantic City Electric	649	12.6	14.0
Burlington Northern	649	12.6	14.0
Puget Sound Power & Lt	651	12.6	9.4
City Investing	652	12.5	3.8
Super Food Services	652	12.5	15.8
Hartmarx	654	12.5	15.2
Monfort of Colorado	654	12.5	23.4
Philadelphia Electric	654	12.5	14.9
Collins & Aikman	657	12.4	24.5
West Point-Pepperell	657	12.4	13.1
U S West	659	12.4	10.9
J C Penney	660	12.4	13.5
Utah Power & Light	661	12.4	12.2
Society	662	12.3	14.7
Jefferson-Pilot	663	12.3	12.2
Florida Progress	664	12.3	14.0
Pennwalt	664	12.3	12.2
Ceco Industries	666	12.3	8.1
National Fuel Gas	667	12.2	18.0
Penn Traffic	668	12.2	9.7
White Consolidated Inds	669	12.2	9.2
City Federal S & L	670	12.2	39.3
Crown Cork & Seal	671	12.2	10.7
Rykoff-Sexton	671	12.2	14.0
Bell Atlantic	673	12.2	11.1
Stauffer Chemical	673	12.2	1.8
Morse Shoe	675	12.1	10.3
Boston Edison	676	12.1	14.1
Textron	676	12.1	9.5
Dana	678	12.1	16.0
Allegheny International	679	12.1	8.0
Transway International	680	12.1	13.2
Shawmut	681	12.0	13.8
Consumers Power	682	12.0	9.3
Central Steel & Wire	683	12.0	13.1
Economics Laboratory	683	12.0	17.6
Continental Illinois	685	11.9%	def
Tribune	686	11.9	13.1%
Easco	687	11.9	def
Public Service E&G	687	11.9	15.3
Ferro	689	11.8	10.6
Sherwin-Williams	690	11.8	17.1
Thorn Apple Valley	691	11.8	3.0
Amer National Insurance	692	11.8	10.0
Lincoln National	693	11.8	11.8
American Electric Power	694	11.8	14.2
Alcoa	695	11.7	11.5
Public Service Colorado	696	11.7	14.2
Louisville Gas & Elec	697	11.7	14.7
American Cyanamid	698	11.7	13.7
NBD Bancorp	699	11.7	11.0
Corning Glass Works	700	11.6	5.6
Duquesne Light	700	11.6	14.5
Associated Dry Goods	702	11.6	13.7
MGM/UA Entertainment	703	11.6	9.4
Moore McCormack Res	704	11.6	4.1
Comerica	705	11.5	12.4
Centerre Bancorporation	706	11.5	7.1
Detroit Edison	706	11.5	13.5
Kentucky Utilities	708	11.5	14.1
Santa Fe Southern	709	11.5	8.2
Household International	710	11.4	14.6
Hammermill Paper	711	11.4	13.5
Smart & Final Iris	712	11.4	17.5
Colonial Penn Group	713	11.3	14.7
Strawbridge & Clothier	714	11.3	14.0
Yellow Freight System	715	11.3	17.7
Diamond Shamrock	716	11.3	1.5
Foxboro	717	11.2	1.9
Colt Industries	718	11.2	28.0
Sperry	718	11.2	10.0
Gould	720	11.1	9.1
Pacific Telesis Group	720	11.1	11.6
DWG	722	11.1	1.9
California First Bank	723	11.1	8.3
Godfrey	723	11.1	7.8
CSX	725	11.1	10.8
UGI	725	11.1	7.7
Washington Gas Light	725	11.1	15.0
ARA Services	728	11.0	11.7
DeSoto	728	11.0	15.2
McGraw-Edison	730	10.9	8.9
Weyerhaeuser	731	10.9	8.5
Monsanto	732	10.9	12.7
Walt Disney Productions	733	10.9	1.5
Washington National	733	10.9	6.5
National Gypsum	735	10.9	19.1
Control Data	736	10.9	2.7
Avco	737	10.9	10.0
Scott Paper	738	10.8	11.5
RCA	739	10.8	10.5
Dorsey	740	10.7	10.1
Natl Distillers & Chem	741	10.6	7.2
Crocker National	742	10.6	def
Union Carbide	743	10.6	4.0
Carson Pirie Scott	744	10.6	5.6
Texas Instruments	745	10.6	27.4
Gulf & Western Inds	746	10.6	13.7
AmeriTrust	747	10.5	10.5
Dominion Resources	748	10.5%	12.8%
Fieldcrest Mills	749	10.5	6.6
Marine Midland Banks	749	10.5	10.2
WICOR	751	10.5	20.2
Scovill	752	10.5	13.8
Fleetwood Enterprises	753	10.4	31.8
Arrow Electronics	754	10.4	20.4
DEKALB AgResearch	755	10.4	8.2
Zale	756	10.4	8.4
Magic Chef	757	10.3	24.3
Riegel Textile	758	10.3	10.8
Carter Hawley Hale	759	10.3	14.2
Cluett, Peabody	760	10.2	13.2
Hawaiian Electric Inds	761	10.2	12.8
Sears, Roebuck	761	10.2	14.4
Manufacturers National	763	10.1	12.2
Warner-Lambert	764	10.1	15.6
Cessna Aircraft	765	10.1	0.3
Amdahl	766	10.0	9.7
Celanese	767	9.9	16.4
Willamette Industries	768	9.9	12.1
Northern Trust	769	9.9	5.4
Arden Group	770	9.8	11.4
Eagle-Picher Industries	771	9.8	12.0
SCM	771	9.8	9.3
Berkshire Hathaway	773	9.8	7.0
Anderson, Clayton	774	9.7	4.7
Phillips-Van Heusen	774	9.7	13.5
Goodyear Tire & Rubber	776	9.7	13.7
Atlanta Gas Light	777	9.7	16.3
Williams Cos	778	9.7	14.3
ASARCO	779	9.7	def
St Regis	780	9.7	8.8
First Chicago	781	9.6	3.3
Mead	782	9.5	15.6
Lone Star Industries	783	9.5	6.8
Springs Industries	783	9.5	9.9
Central Soya	785	9.5	7.1
Black & Decker Mfg	786	9.5	17.2
Bemis	787	9.5	9.8
First Natl Supermarkets	787	9.5	def
Champion Spark Plug	789	9.3	9.6
Owens-Corning Fiberglas	790	9.3	14.8
Varian Associates	791	9.3	16.5
Richardson-Vicks	792	9.2	15.7
Robertshaw Controls	793	9.2	19.8
Equitable of Iowa Cos	794	9.2	4.9
Georgia-Pacific	794	9.2	11.1
McDermott International	796	9.2	3.1
Roper Corp	796	9.2	20.1
Penn Central	798	9.1	1.9
Adolph Coors	799	9.1	5.9
Pueblo International	799	9.1	10.5
Stewart & Stevenson	801	9.1	def
Athlone Industries	802	9.0	7.0
Owens-Illinois	803	9.0	12.4
No Indiana Public Svc	804	9.0	11.8
Potlatch	805	8.9	7.4
Northwestern Natl Life	806	8.9	9.7
Gifford-Hill	807	8.9	7.4
Unidynamics	807	8.9	12.3
Deere	809	8.8	5.7
Barnes Group	810	8.8	19.4

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

Who's where in profitability

		Return on equity	
Company	rank	5-year average	latest 12 months
Temple-Inland	811	8.8%	12.8%
Research-Cottrell	812	8.8	2.2
Jim Walter	813	8.7	13.4
Pacific Gamble Robinson	814	8.7	2.4
Ampco-Pittsburgh	815	8.6	1.8
Armstrong World Inds	816	8.6	14.2
Continental Corp	816	8.6	0.9
Olin	818	8.6	10.4
Butler Manufacturing	819	8.5	def
Shopwell	820	8.5	0.9
Timken	821	8.5	6.5
Storer Communications	822	8.4	def
Boise Cascade	823	8.4	7.5
Midland-Ross	823	8.4	6.3
Rexnord	825	8.4	7.3
Champion International	826	8.3	7.4
American Maize-Products	827	8.3	9.2
Arvin Industries	827	8.3	15.7
Di Giorgio	827	8.3	2.9
G C Murphy	827	8.3	12.2
Rollins	827	8.3	25.3
Longview Fibre	832	8.2	14.3
Stewart-Warner	832	8.2	6.1
Outboard Marine	834	8.2	15.2
Burroughs	835	8.2	10.4
Kaiser Aluminum	835	8.2	1.2
Michigan National	837	8.1	def
Ingersoll-Rand	838	8.1	def
Hoover	839	8.0	18.8
General Motors	840	8.0	24.0
IC Industries	841	7.9	11.0
Interlake	842	7.9	11.8
Delta Air Lines	843	7.8	23.2
Caterpillar Tractor	844	7.7	def
Ideal Basic Industries	844	7.7	def
Coachmen Industries	846	7.7	23.6
Amfac	847	7.6	def
Burlington Industries	848	7.5	5.2
Copperweld	849	7.4	5.1
Manhattan Industries	850	7.3	16.1
AMF	851	7.2	1.5
M Lowenstein	852	7.1	16.4
Fisher Foods	853	7.1	def
Skyline	854	7.1	6.6
Dayco	855	7.0	12.2
Sheller-Globe	856	7.0	17.9
Anchor Hocking	857	6.9	4.1
Reichhold Chemicals	857	6.9	12.3
Libbey-Owens-Ford	859	6.8	16.7
Cummins Engine	860	6.8	35.7
Louisiana-Pacific	861	6.8	6.5
Armstrong Rubber	862	6.7	13.6
Allen Group	863	6.7	11.8
Brockway Inc (NY)	864	6.5	def
Eaton	865	6.5	23.5
GenCorp	865	6.5	6.5
Zenith Electronics	867	6.3	17.6
Kellwood	868	6.2	15.7
Savin	869	6.1	def
GATX	870	6.1	def
Reynolds Metals	871	6.0	9.0
Arkansas Best	872	5.9	17.3
Koppers	873	5.8	5.6
Primark	874	5.7	16.2
Avondale Mills	875	5.5%	13.4%
Northwest Steel & Wire	876	5.3	def
Bell & Howell	877	5.0	22.6
Fruehauf	878	4.9	17.0
Nashua	879	4.9	17.2
Polaroid	880	4.9	4.4
Crown Zellerbach	881	4.8	8.6
Beneficial Corp	882	4.7	11.7
H F Ahmanson	883	4.7	6.6
Macmillan	884	4.7	19.4
Del E Webb	885	4.5	12.0
B F Goodrich	886	4.5	6.3
American Can	887	4.4	8.9
Cyclops	888	4.2	8.8
F W Woolworth	889	4.0	12.2
CIGNA	890	4.0	2.0
Sybron	890	4.0	def
Dravo	892	3.9	def
Northwest Airlines	893	3.6	11.5
J P Stevens	894	3.6	3.9
Kaufman & Broad	895	3.5	11.1
Great Western Financial	896	3.5	10.4
General Public Utils	897	3.4	7.3
AMAX	898	3.4	def
Great Amer First Savings	899	3.3	6.7
Western Union	900	3.3	def
Lafarge	901	3.1	def
A O Smith	902	3.1	8.8
Firestone Tire & Rubber	903	2.9	8.1
AMR	904	2.9	23.7
Bucyrus-Erie	905	2.8	def
RLC	906	2.8	16.3
Mohasco	907	2.7	8.0
Pittston	908	2.6	def
Manville	909	2.6	4.4
Peabody International	910	2.4	def
Phelps Dodge	911	2.4	def
Crane	912	2.4	def
Castle & Cooke	913	2.4	def
Clark Equipment	914	2.2	5.8
Kerr Glass Mfg	915	1.7	def
Foodarama Supermarkets	916	1.7	def
Lukens	917	1.6	0.3
Alexander's	918	1.4	6.3
Ford Motor	919	1.3	39.3
National-Standard	920	1.3	8.3
United Brands	921	1.2	6.3
Westmoreland Coal	922	1.1	7.9
CertainTeed	923	1.1	8.4
Southwest Forest Inds	924	0.8	0.7
Chromalloy American	925	0.5	def
Mack Trucks	926	0.4	9.4
UAL	927	0.3	16.5
Uniroyal	928	0.2	15.0
Amer Hoist & Derrick	929	0.2	def
Chicago Pneumatic Tool	930	0.1	9.8
Revere Copper & Brass	931	def	def
Oak Industries	932	def	def
Inland Steel	933	def	def
United States Steel	934	def	def
Federal Natl Mortgage	935	def	def
Toro	935	def	12.4
Gibraltar Finl Corp Cal	937	def	20.0
Armco	938	def	def
Ramada Inns	939	def	3.0%
Singer	940	def	12.9
Wheeling-Pitts Steel	941	def	def
American Bakeries	942	def	11.5
Genesco	943	def	52.4
Gulf Resources & Chem	944	def	19.1
Evans Products	945	def	def
Interstate Bakeries	946	def	def
GAF	947	def	def
Borman's	948	def	def
Talley Industries	949	def	15.5
NVF	950	def	def
National Intergroup	951	def	def
Inspiration Resources	952	def	def
Trans World Airlines	953	def	6.3
Harnischfeger	954	def	2.5
Bird	955	def	def
Imperial Corp of Amer	956	def	def
Inco	957	def	def
Great Atl & Pacific Tea	958	def	10.1
Wilson Foods	959	def	def
Bethlehem Steel	960	def	def
Pan Am Corp	961	def	def
Allis-Chalmers	962	def	def
First Pennsylvania	963	def	def
United Merchants & Mfrs	964	def	9.6
Cook United	965	def	def
Tiger International	966	def	def
General Refractories	967	def	61.0
Pettibone	968	def	def
Mattel	969	def	NE
Eastern Air Lines	970	def	def
Chrysler	971	def	85.1
International Harvester	972	def	NE
Pantry Pride	973	def	9.6
HRT Industries	974	def	def
American Motors	975	def	10.2
Western Air Lines	976	def	def
Texas Air	977	def	NE
Allied Supermarkets	978	def	0.2
Republic Airlines	979	def	NE
AM International	980	def	NE
Rath Packing	981	def	def
Wickes Cos	982	def	NE
Massey-Ferguson	983	def	NE
Amer Info Technology		NA	12.5
Amer Tel & Tel		NA	NA
American President Cos		NA	28.9
BellSouth		NA	11.5
CalFed		NA	9.7
Delchamps		NA	18.2
Glendale Federal S&L		NA	16.2
Gulfstream Aerospace		NA	29.2
Home Federal S&L Cal		NA	9.9
Keystone Consol Inds		NA	def
NI Industries		NA	36.0
NYNEX		NA	11.3
Pabst Brewing		NA	def
Sea-Land		NA	8.9
Southwestern Bell		NA	11.3
Time Inc		NA	23.0
Transworld		NA	24.8

def: deficit. NA: Not available. NE: Negative equity.

Sources: Media General Financial Services, Inc.; Forbes

WHO'S WHERE IN THE INDUSTRY GROUPS

Last year was good for the economy but not for corporate profitability. The 1,000 companies in this issue failed to match their five-year return on equity.

THE ECONOMIC RECOVERY was what everyone talked about in 1984, and by some measures corporate performance kept pace. The 1,000 companies in this issue posted median earnings increases of 15.8%. But profitability is a better measure of a company's vitality, and here the numbers are less encouraging. In the key measure of return on equity, the all-industry median for 1984 was 13.4%—good, but well below the five-year average of 15.1%.

So even a recovery year can carry considerable disappointment, and 1984 was no exception. Of the 42 industry groups in this table, 25 failed to match their long-term profitability. Many of the biggest losers are at the top of the list, where such sectors as oilfield drillers and petroleum took painful drubbings. Farther down the ranks, the performance of builders, metals firms and heavy equipment manufacturers was particularly disappointing.

Strangely, some of the best news is at the bottom of the list. Automakers, airlines and thrift institutions posted impressive rebounds. So did coal and paper companies, as well as consumer products firms. But perhaps the best way to summarize this topsy-turvy year is simply to note that, on a trailing 12-month basis, the return on equity of once-beleaguered automotive suppliers is 16%. That's exactly the same as the figure for the beverage industry, which leads the list in terms of long-term profitability. ■

Industry medians

Yardsticks of management performance

	Profitability					**Growth**					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt/equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Beverages	**1**	**22.4%**	**16.0%**	**0.5**	**6.0%**	**10**	**13.3%**	**9.9%**	**1**	**20.2%**	**–0.3**
Alcoholic beverages	—	18.3	13.9	0.4	5.8	—	14.6	8.0	—	18.3	–4.5
Soft drinks	—	27.1	21.3	0.5	6.2	—	13.3	17.9	—	24.5	14.5
Tobacco	**2**	**20.3**	**19.3**	**0.3**	**5.7**	**28**	**7.4**	**3.3**	**4**	**11.1**	**16.0**
Oilfield drillers and services	**3**	**20.1**	**1.7**	**0.6**	**0.3**	**11**	**13.3**	**–4.0**	**35**	**–29.4**	**P-D**
Health care	**4**	**19.9**	**15.6**	**0.3**	**7.6**	**20**	**10.5**	**7.4**	**6**	**10.3**	**8.6**
Drugs	—	19.7	15.5	0.2	8.6	—	9.9	7.4	—	7.9	10.1
Health care	—	19.4	15.7	0.3	6.5	—	13.0	4.9	—	6.5	5.6
Hospital management	—	22.9	18.2	1.4	7.6	—	39.8	11.5	—	29.1	18.2
Publishing	**5**	**19.2**	**20.6**	**0.3**	**7.6**	**8**	**13.9**	**13.3**	**2**	**12.6**	**27.3**
Petroleum	**6**	**18.9**	**10.7**	**0.4**	**3.1**	**7**	**15.4**	**4.6**	**17**	**1.2**	**–6.3**
International oils	—	18.3	13.0	0.4	3.2	—	9.7	2.3	—	1.2	8.1
Other oil and gas	—	19.1	9.6	0.5	2.9	—	15.6	5.0	—	1.2	–6.7
Services	**7**	**18.0**	**17.1**	**0.4**	**3.2**	**13**	**12.8**	**16.1**	**6**	**10.3**	**13.4**
Fast food chains	—	20.6	16.3	0.5	5.5	—	14.7	12.2	—	11.9	10.0
Food distributors	—	13.9	15.8	0.6	1.2	—	11.6	16.1	—	10.3	13.4
Industrial services	—	20.8	18.5	0.3	5.3	—	19.3	15.8	—	12.0	8.3
Office services	—	18.0	16.7	0.2	4.2	—	10.1	19.4	—	3.6	28.4
Electrical equipment	**8**	**17.7**	**16.3**	**0.1**	**5.6**	**24**	**8.7**	**11.7**	**13**	**3.6**	**26.5**
Computers	**9**	**17.4**	**12.9**	**0.3**	**5.6**	**4**	**18.2**	**15.1**	**15**	**3.1**	**28.0**
Broadcasting	**10**	**16.9**	**16.5**	**0.4**	**4.3**	**6**	**16.2**	**17.3**	**28**	**–7.0**	**27.4**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful.

Sources: Media General Financial Services, Inc.; Forbes

Industry medians

Yardsticks of management performance

	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Builders	11	16.7	10.0	0.2	2.1	17	11.0	2.8	27	–6.2	–16.2
Commercial	—	18.2	9.3	0.2	1.9	—	14.1	–5.8	—	4.2	–25.7
Residential	—	11.6	11.6	0.2	3.7	—	2.2	16.1	—	–18.8	–0.1
Retailers-specialty	12	16.1%	16.2%	0.4	3.2%	15	12.5%	13.4%	9	6.8%	22.0%
Apparel	—	19.6	16.1	0.3	4.7	—	12.6	18.9	—	17.7	12.3
Catalog showroom	—	14.8	8.2	0.7	1.8	—	21.3	15.2	—	–4.5	–5.2
Drug chains	—	20.1	20.7	0.3	2.9	—	14.6	11.1	—	16.7	22.9
Miscellaneous	—	12.9	16.2	0.5	2.8	—	9.0	14.0	—	0.0	30.5
Jewelry	—	13.5	8.4	0.4	3.5	—	2.6	8.0	—	NM	32.4
Shoes	—	14.9	16.6	0.3	4.1	—	7.2	4.9	—	NM	22.1
Food processors	13	16.0	15.8	0.3	2.9	25	8.6	9.2	14	3.2	8.6
Commodities	—	15.2	9.6	0.3	2.4	—	7.3	17.8	—	–3.5	–3.2
Branded foods	—	16.8	17.4	0.3	4.1	—	9.1	7.2	—	9.7	11.7
Meatpacking	—	14.5	9.3	0.9	0.8	—	8.4	–0.8	—	NM	–33.3
Supermarkets	14	15.9	13.3	0.7	1.0	21	10.2	8.1	16	3.0	3.6
Major chains	—	21.2	17.1	0.7	1.3	—	11.3	8.1	—	8.6	6.3
Regional chains	—	13.2	10.5	0.7	0.7	—	9.2	6.6	—	–0.7	1.7
Convenience stores	—	17.4	15.4	1.1	2.1	—	16.4	28.3	—	NM	22.5
Natural gas utilities	15	15.8	14.0	0.8	3.6	5	16.9	8.8	11	5.2	16.9
Distributors	—	13.1	15.3	0.9	3.0	—	17.0	10.5	—	3.3	63.1
Integrated	—	15.1	16.2	0.7	3.8	—	16.9	9.2	—	5.2	0.7
Producers and pipelines	—	19.8	12.6	0.9	4.1	—	16.5	1.6	—	10.3	13.4
Aerospace and defense	16	15.8	15.2	0.2	4.0	22	10.1	11.3	22	–1.5	27.6
Electronics	17	15.7	15.9	0.2	4.9	13	12.8	19.2	18	0.8	27.6
Equipment	—	15.7	12.9	0.3	4.7	—	11.8	18.3	—	0.8	26.5
Semiconductors	—	17.9	19.8	0.1	5.3	—	16.9	35.5	—	2.3	70.8
Telecommunications	18	15.7	11.3	0.6	8.9	15	12.5	8.2	20	0.6	7.4
Carriers	—	14.8	11.6	0.9	9.4	—	11.1	6.0	—	3.9	6.2
Manufacturing	—	19.7	8.1	0.3	4.6	—	23.0	20.6	—	15.7	13.9
Leisure and recreation	19	15.3	12.0	0.4	4.9	27	8.3	13.5	32	–14.2	–6.3
Entertainment	—	15.7	9.1	0.5	5.8	—	10.4	14.6	—	–5.2	–37.8
Hotels and gaming	—	17.3	12.3	1.1	3.5	—	8.6	9.0	—	–15.2	–1.5
Recreation	—	12.0	19.6	0.3	5.2	—	–4.0	17.7	—	NM	33.6
Recreational vehicles	—	7.7	23.6	0.0	4.5	—	0.3	26.0	—	NM	–1.4
Photography	—	11.2	7.8	0.0	4.8	—	3.3	0.2	—	–11.0	15.3
Toys and electronics	—	39.6	–1.1	0.3	2.9	—	24.4	10.9	—	NM	P-D
Apparel	20	15.2	15.9	0.2	4.1	26	8.4	7.8	3	12.3	14.3
Clothing	—	13.8	15.5	0.2	3.9	—	8.2	9.2	—	9.5	19.9
Shoes	—	21.3	17.1	0.1	4.5	—	12.0	6.1	—	15.4	0.2
Banks	21	15.1	13.5	0.3	6.8	3	18.6	15.1	5	10.5	6.2
Multinational banks	—	15.0	12.0	0.4	5.0	—	16.7	14.9	—	9.5	–14.1
Northeast	—	15.1	15.5	0.3	7.9	—	21.7	22.9	—	14.1	2.4
Midwest	—	12.3	11.7	0.2	6.3	—	17.5	11.1	—	0.5	7.5
Southeast	—	16.9	18.4	0.3	8.5	—	21.0	18.3	—	15.1	15.7
Southwest	—	17.9	12.0	0.3	7.5	—	26.6	19.8	—	12.4	–8.5
West	—	14.5	12.5	0.4	5.6	—	16.1	12.6	—	2.2	7.3
Financial services	22	15.1	11.7	0.7	3.8	2	19.7	10.9	12	4.4	–13.6
Financial services	—	10.9	11.7	2.2	3.8	—	9.7	10.9	—	–2.2	12.2
Trading	—	25.5	10.3	0.4	4.5	—	31.1	8.5	—	24.1	–51.8
Insurance	23	15.1	10.9	0.1	5.5	23	9.5	12.9	21	0.3	–2.9
Brokers	—	26.4	6.0	0.3	5.8	—	15.6	3.8	—	NM	D-D
Diversified	—	18.0	11.8	0.2	6.8	—	10.3	10.1	—	0.0	–4.1
Life and health	—	13.1	11.9	0.1	4.8	—	11.4	14.2	—	1.5	16.8
Property and casualty	—	16.9	6.6	0.1	5.5	—	8.0	15.0	—	–3.4	–45.9
Diversified companies	24	14.2	11.0	0.4	3.5	33	5.4	10.3	23	–1.7	17.0
Multicompanies	—	13.1	10.4	0.3	3.7	—	5.4	10.2	—	2.0	17.0
Conglomerates	—	16.1	11.8	0.5	3.1	—	5.6	10.5	—	–8.3	9.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful.

Sources: Media General Financial Services, Inc.; Forbes

Industry medians

Yardsticks of management performance

	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt/ equity ratio	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Chemicals	**25**	**14.1%**	**13.0%**	**0.4**	**3.8%**	**35**	**4.5%**	**10.1%**	**24**	**–3.7%**	**31.3%**
Diversified	—	12.3	12.7	0.3	3.4	—	3.7	10.1	—	–5.9	45.9
Specialized	—	15.6	13.8	0.4	3.9	—	5.5	10.7	—	–0.4	23.7
Retailers-general	**26**	**13.9**	**14.4**	**0.5**	**3.1**	**19**	**10.5**	**13.1**	**8**	**9.3**	**15.4**
Department stores	—	12.6	14.1	0.6	3.6	—	10.5	13.0	—	9.1	13.6
Discount and variety	—	14.6	16.4	0.5	2.6	—	10.5	13.1	—	12.6	16.9
Electric utilities	**27**	**13.6**	**15.5**	**0.9**	**12.0**	**9**	**13.8**	**8.2**	**10**	**6.4**	**9.9**
Northeast	—	13.2	16.2	0.9	11.5	—	14.1	9.9	—	5.7	11.2
Midwest	—	14.1	15.4	1.0	11.7	—	12.4	8.0	—	7.9	3.7
Southeast	—	13.0	15.0	1.0	11.0	—	13.0	8.1	—	4.5	16.8
Southwest	—	14.8	15.8	1.0	13.1	—	15.5	8.1	—	6.4	8.9
West	—	13.7	14.6	0.9	16.2	—	15.5	8.9	—	8.4	9.3
Surface transportation	**28**	**13.5**	**12.7**	**0.7**	**3.4**	**31**	**5.5**	**15.7**	**26**	**–5.5**	**23.7**
Railroads	—	12.6	11.0	0.6	3.9	—	5.2	11.7	—	–4.7	30.9
Truckers	—	17.5	16.3	0.7	2.9	—	4.9	17.5	—	–5.0	15.2
Other	—	14.4	11.1	0.8	2.7	—	6.2	12.2	—	NM	31.7
Consumer products	**29**	**13.4**	**15.6**	**0.3**	**5.2**	**34**	**5.4**	**7.4**	**19**	**0.7**	**11.4**
Appliances	—	10.3	18.2	0.4	3.8	—	2.9	15.1	—	NM	50.1
Home furnishings	—	9.5	6.6	0.3	3.0	—	4.1	8.8	—	–10.1	–23.6
Household products	—	18.5	17.6	0.1	7.2	—	8.9	5.0	—	10.3	5.0
Personal products	—	18.5	15.1	0.2	6.1	—	10.0	3.0	—	7.6	4.1
Industrial machinery	**30**	**13.3**	**9.8**	**0.3**	**2.9**	**38**	**3.6**	**14.4**	**31**	**–12.2**	**28.9**
Packaging	**31**	**12.2**	**12.4**	**0.4**	**2.3**	**29**	**6.8**	**14.0**	**30**	**–10.8**	**42.4**
Paper	**32**	**11.2**	**13.9**	**0.5**	**4.2**	**32**	**5.5**	**16.5**	**29**	**–8.4**	**70.8**
Office equipment	**33**	**10.8**	**14.3**	**0.2**	**5.0**	**30**	**6.8**	**7.2**	**36**	**NM**	**10.3**
Automotive suppliers	**34**	**10.5**	**16.0**	**0.3**	**3.5**	**37**	**3.8**	**16.6**	**33**	**–14.3**	**43.8**
Parts makers	—	13.0	16.6	0.3	4.0	—	3.8	18.7	—	–11.7	43.8
Tire and rubber	—	6.5	13.5	0.3	2.8	—	3.2	12.2	—	NM	39.0
Building materials	**35**	**9.8**	**8.9**	**0.4**	**2.8**	**39**	**2.4**	**13.2**	**34**	**–27.1**	**32.1**
Cement and gypsum	—	9.5	6.8	0.9	1.9	—	2.1	12.5	—	–47.0	167.7
Lumber	—	8.8	8.0	0.5	2.0	—	3.8	14.7	—	–31.9	119.0
Other materials	—	11.0	12.8	0.4	3.2	—	2.0	14.0	—	–13.5	24.4
Equipment	—	14.1	15.6	0.2	3.4	—	6.2	14.5	—	NM	26.8
Textiles	**36**	**9.5**	**10.8**	**0.4**	**3.4**	**36**	**4.1**	**10.5**	**25**	**–4.3**	**26.6**
Metals	**37**	**7.9**	**1.5**	**0.5**	def	**40**	**0.4**	**22.3**	**36**	**NM**	**D-D**
Nonferrous metals	—	8.6	1.2	0.6	1.0	—	2.1	12.7	—	NM	P-D
Steel	—	6.3	5.1	0.5	def	—	–4.2	27.2	—	NM	D-D
Coal	**38**	**7.8**	**10.6**	**0.6**	**3.4**	**18**	**10.9**	**9.6**	**36**	**NM**	**65.9**
Thrift institutions	**39**	**4.1**	**9.9**	**0.2**	**5.1**	**1**	**22.8**	**30.6**	**40**	**NM**	**9.1**
Air transport	**40**	**2.9**	**6.3**	**1.0**	def	**12**	**13.0**	**15.5**	**40**	**NM**	**D-D**
Freight	—	20.4	10.0	0.6	3.8	—	13.0	15.5	—	–6.0	–39.6
Passenger	—	1.6	0.8	1.3	def	—	13.6	15.9	—	NM	D-D
Heavy equipment	**41**	**2.5**	**def**	**0.6**	def	**42**	**–5.5**	**5.8**	**36**	**NM**	**D-D**
Agricultural	—	def	NE	3.0	def	—	–9.0	0.2	—	NM	D-D
Building and mining	—	5.2	2.2	0.4	def	—	–5.2	7.9	—	NM	D-D
Automobiles and trucks	**42**	**1.3**	**18.0**	**0.4**	**2.3**	**41**	**–1.5**	**25.4**	**40**	**NM**	**167.8**
All-industry medians	**—**	**15.1**	**13.4**	**0.4**	**3.7**	**—**	**10.2**	**11.5**	**—**	**–0.6**	**15.8**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

Rank

Company	Profitability	Growth	Stock market	Industry survey page
Abbott Laboratories	84	120	305	154
Advanced Micro Devices	109	99	35	140
Aetna Life & Casualty	530	702	748	163
H F Ahmanson	883	**	700	211
Air Products & Chems	350	398	651	118
Albertson's	113	191	159	202
Alcan Aluminium	563	763	679	170
Alco Standard	242	414	392	154, 185
Alexander & Alexander	95	**	857	163
Alexander & Baldwin	473	168	165	204
Alexander's	918	**	92	194
Allegheny Beverage	65	53	14	78, 198
Allegheny International	679	**	833	126, 128
Allegheny Power System	542	183	363	134
Allen Group	863	**	620	67
Allied Bancshares	56	65	194	71
Allied Corp	30	**	759	67, 118, 128
Allied Stores	646	363	282	194
Allied Supermarkets	978	**	361	198, 202
Allis-Chalmers	962	**	943	156, 160
Alltel	423	424	629	208
Aluminum Co of America	695	**	615	170
AM International	980	**	947	176
AMAX	898	**	929	170
Amdahl	766	703	827	122
Amerada Hess	159	638	744	187
American Bakeries	942	**	727	148
American Brands	139	315	367	128, 214
Amer Broadcasting Cos	275	504	503	81
American Can	887	**	577	181
American Cyanamid	698	550	558	118, 154
Amer District Telegraph	631	264	256	140
American Electric Power	694	533	716	134
American Express	176	410	237	144, 163
American Family	487	611	136	163
American General	329	364	308	163
American Greetings	366	115	24	190
Amer Hoist & Derrick	929	**	926	156
American Home Products	33	209	385	126, 154
Amer Hospital Supply	299	177	551	154
Amer Info Technology	**	**	**	208
Amer International Grp	146	128	288	163
American Maize-Products	827	651	656	148
Amer Medical Intl	102	60	286	154
American Motors	975	**	900	62
Amer National Insurance	692	389	380	163
Amer Natural Resources	324	286	682	172
American Petrofina	394	463	471	187
American President Cos	**	**	**	204
American Standard	280	715	712	113, 204
American Stores	79	49	63	196, 202
Amer Tel & Tel	**	**	**	208
AmeriTrust	747	526	420	71
Ames Department Stores	113	93	9	194
Ametek	211	301	322	160
AMF	851	**	749	160, 168
Amfac	847	**	811	128
AMP	85	336	247	140
Ampco-Pittsburgh	815	**	697	156, 170
AMR	904	**	130	54
Amsted Industries	621	**	825	113, 156, 160
Anchor Hocking	857	**	541	126, 181
Anderson, Clayton	774	622	521	148
Anheuser-Busch Cos	189	76	112	78
Anixter Bros	148	101	199	208
Apple Computer	2	2	874	122
ARA Services	728	606	298	198
Archer Daniels Midland	388	172	738	148
Arden Group	770	18	51	202
Arizona Public Service	490	458	702	134
Arkansas Best	872	**	400	204
Arkla	247	368	472	172
Armco	938	**	923	170
Armstrong Rubber	862	**	66	67
Armstrong World Inds	816	652	389	113
Arrow Electronics	754	**	772	140
Arvin Industries	827	655	241	67
ASARCO	779	**	889	170
Ashland Oil	211	731	872	187
Associated Dry Goods	702	142	178	194
Athlone Industries	802	**	750	170
Atlanta Gas Light	777	599	365	172
Atlantic City Electric	649	397	560	134
Atlantic Richfield	140	214	703	187
Auto Data Processing	197	151	300	198
Avco	737	721	544	50, 144
Avery International	410	220	100	181
Avnet	306	394	191	140
Avon Products	96	669	908	126
Avondale Mills	875	601	364	210
Baker International	215	**	897	178
Ball Corp	385	222	82	181
Bally Manufacturing	182	720	924	168
Baltimore Gas & Elec	613	345	401	134
Banc One	220	200	187	71
Bank of Boston	447	143	283	71
Bank of New England	297	238	180	71
Bank of New York	471	197	353	71
BankAmerica	595	666	887	71
Bankers Trust New York	278	106	174	71
Barnes Group	810	**	663	67
Barnett Banks of Fla	282	122	105	71
Bausch & Lomb	371	591	585	154
Baxter Travenol Labs	268	127	704	154
BayBanks	465	225	183	71
Beatrice	485	675	545	148
Becton, Dickinson	636	610	693	154
Bell & Howell	877	**	277	176
Bell Atlantic	673	**	**	208
BellSouth	**	**	**	208
Bemis	787	643	371	181
Beneficial Corp	882	**	696	144, 196
Bergen Brunswig	18	56	53	154
Berkshire Hathaway	773	153	65	128, 163
Best Products	495	604	840	196
Bethlehem Steel	960	**	842	170
Beverly Enterprises	123	54	86	154
Big Bear	14	57	**	202
Big Three Industries	347	535	769	118, 178
Big V Supermarkets	131	325	227	202
Bindley Western Ind	34	85	**	154
Bird	955	**	927	113
Black & Decker Mfg	786	**	798	126
Blount	178	194	135	109
Blue Bell	518	646	535	58
Boeing	142	598	454	50

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Boise Cascade	823	752	720	113, 181, 185
Borden	635	298	219	118, 148
Borg-Warner	555	387	225	67, 118, 128
Borman's	948	**	793	202
Boston Edison	676	482	512	134
Bowater	209	630	**	185
BRAE	230	14	879	204
Briggs & Stratton	289	628	741	160
Bristol-Myers	118	175	182	126, 154
Brockway Inc (NY)	864	761	645	181
Brooklyn Union Gas	413	297	498	172
Brown-Forman	116	52	533	78
Brown Group	321	150	117	58, 196
Browning-Ferris Inds	155	67	99	198
Bruno's	126	37	89	202
Brunswick	333	28	34	168
Bucyrus-Erie	905	**	877	156
Burlington Industries	848	518	502	126, 210
Burlington Northern	649	429	106	204
Burroughs	835	682	876	122
Business Men's Assur Co	522	432	500	163
Butler Manufacturing	819	**	758	113
Cabot	160	403	399	118, 187
Caesars World	602	**	917	168
CalFed	**	**	**	211
California First Bank	723	693	715	71
Cameron Iron Works	180	738	914	178
Campbell Soup	482	354	253	148
Capital Cities Commun	130	130	113	81, 190
Capital Holding	553	263	284	163
Carnation	303	245	114	148
Carolina Power & Light	637	510	628	134
Carpenter Technology	460	674	618	170
Carson Pirie Scott	744	617	351	194, 196
Carter Hawley Hale	759	654	598	194
Castle & Cooke	913	**	672	148
Caterpillar Tractor	844	**	899	156
CBI Industries	245	416	888	109
CBS	451	639	522	81, 168
CBT	407	171	273	71
Ceco Industries	666	499	250	113
Celanese	767	**	444	118, 210
Centel	306	360	525	208
Centerre Bancorporation	706	626	595	71
Centex	266	426	**	109
Central & South West	442	359	518	134
Central Hudson Gas & El	566	379	639	134
Central Illinois Light	628	329	527	134
Central Illinois Pub Svc	591	380	578	134
Central Soya	785	649	770	148
Central Steel & Wire	683	634	534	170
CertainTeed	923	**	593	113
Cessna Aircraft	765	**	795	50
CFS Continental	575	66	22	198
Champion International	826	750	830	113, 185
Champion Spark Plug	789	705	814	67
Charter Co	15	**	953	163, 187
Chase Manhattan	530	288	719	71
Chemical New York	462	164	328	71
Chesebrough-Pond's	151	244	436	126, 148
Chevron	284	459	675	187
Chicago & North Western	91	**	27	204
Chicago Pneumatic Tool	930	**	849	160

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Chromalloy American	925	**	918	128, 160, 204
Chrysler	971	**	60	62
Chubb	424	589	350	163
Church's Fried Chicken	67	442	405	198
CIGNA	890	571	**	163
Cincinnati Gas & Elec	579	468	815	134
Cincinnati Milacron	438	**	671	160
Circle K	371	**	231	202
Citicorp	430	261	517	71
Citizens & Southern Ga	406	29	123	71
City Federal S & L	670	**	84	211
City Investing	652	742	293	128, 163
Clark Equipment	914	**	880	156
Cleveland Electric	535	315	695	134
Clorox	272	267	148	126
Cluett, Peabody	760	229	161	58
CNA Financial	254	602	394	163
Coachmen Industries	846	**	26	168
Coastal Corp	446	**	701	187
Coca-Cola	134	364	374	78
Coleco Industries	10	**	10	168
Colgate-Palmolive	538	347	425	126
Collins & Aikman	657	107	62	210
Colonial Penn Group	713	**	601	163
Colt Industries	718	**	223	67, 160
Columbia Gas System	550	402	832	172
Combined International	200	440	376	163
Combustion Engineering	375	**	764	160
Comdisco	12	19	104	122
Comerica	705	548	543	71
Commercial Metals	474	552	532	170
Commonwealth Edison	603	334	573	134
Commonwealth Energy	483	312	467	134
Computer Sciences	85	537	851	50
ConAgra	71	167	44	148
Consolidated Edison	604	152	243	134
Consolidated Foods	341	201	201	126, 148
Consol Freightways	240	502	267	204
Consol Natural Gas	529	273	317	172
Consolidated Papers	270	561	206	185
Consumers Power	682	544	940	134
Continental Corp	816	759	637	163
Continental Illinois	685	701	**	71
Continental Telecom	434	433	600	208
Control Data	736	283	604	122, 144
Cook United	965	**	937	194
Cooper Industries	187	683	775	133, 160
Cooper Tire & Rubber	179	36	23	67
Adolph Coors	799	492	689	78
Copperweld	849	**	713	170
CoreStates Financial	487	179	167	71
Corning Glass Works	700	660	688	126, 154
Cox Communications	216	148	129	81
CPC International	310	513	606	148
Crane	912	**	711	113
Crocker National	742	**	818	71
Crown Central Petroleum	405	757	936	187
Crown Cork & Seal	671	607	506	181
Crown Zellerbach	881	**	886	185
CSX	725	357	546	204
Culbro	362	**	20	214
Cullum Companies	149	185	193	202
Cummins Engine	860	**	217	67

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Curtice-Burns	287	242	181	148
Cyclops	888	**	447	170
Dana	678	695	514	67
Dart & Kraft	481	417	330	148
Data General	539	718	318	122
Datapoint	364	747	905	122
Dayco	855	754	667	67, 160
Dayton-Hudson	290	543	121	194
Dayton Power & Light	582	255	737	134
Dean Foods	115	88	13	148
Deere	809	755	852	156
DEKALB AgResearch	755	713	860	148, 187
Delchamps	**	**	**	202
Delmarva Power & Light	640	386	453	134
Delta Air Lines	843	**	329	54
Deluxe Check Printers	52	105	149	190
Dennison Manufacturing	444	490	341	181, 198
Denny's	317	308	68	198
DeSoto	728	396	155	113
Detroit Edison	706	455	657	134
Dexter	342	451	462	118
Di Giorgio	827	657	807	148, 198
Diamond Shamrock	716	**	903	118, 187
Dibrell Brothers	395	78	38	214
Digital Equipment	327	221	519	122
Dillard Dept Stores	408	34	2	194
Walt Disney Productions	733	586	622	168
Diversified Energies	415	423	476	172
Dominion Resources	748	434	387	134
Donaldson, Lufkin & Jenrette	471	21	12	144
R R Donnelley & Sons	390	173	116	190
Dorsey	740	**	344	181, 204
Dover	80	192	272	113, 160
Dow Chemical	573	717	817	118
Dow Jones	39	98	67	190
Dravo	892	**	904	109
Dresser Industries	619	758	858	178
E I Du Pont de Nemours	504	629	691	118, 187
Duke Power	524	368	455	134
Dun & Bradstreet	43	112	152	190
Duquesne Light	700	358	707	134
DWG	722	44	658	187, 210
Dynalectron	358	**	822	109, 198
E-Systems	218	62	127	50
Eagle-Picher Industries	771	700	705	67, 160
Easco	687	519	670	160, 170
Eastern Air Lines	970	**	902	54
Eastern Gas & Fuel	629	87	646	121, 172
Eastman Kodak	332	620	489	168
Eaton	865	**	321	67, 140
Echlin	626	500	449	67
Jack Eckerd	339	385	520	196
Economics Laboratory	683	**	774	126
Edison Brothers Stores	317	585	569	196
EG&G	48	90	169	50, 140
Emerson Electric	152	304	323	133
Emery Air Freight	58	633	740	54
Emhart	380	378	304	160
Engelhard	235	258	684	170
ENSERCH	293	392	803	109, 172
Entex	117	344	717	172
Equifax	198	248	102	144
Equitable of Iowa Cos	794	614	788	163

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Ethyl	511	474	301	118
Evans Products	945	**	948	196
Ex-Cell-O	560	439	571	50, 67, 160
Exxon	219	296	473	187
Fairchild Industries	82	648	850	50
Farm House Foods	567	744	635	198
Farmers Group	276	294	373	163
Federal Co	624	557	398	148
Federal Express	21	26	160	54
Federal-Mogul	397	581	291	67
Federal Natl Mortgage	935	**	791	144
Federal Paper Board	608	315	536	181, 185
Federated Dept Stores	517	306	386	194
Ferro	689	673	698	118
Fidelcor	643	**	69	71
Fieldcrest Mills	749	697	665	126
Figgie Intl Holdings	391	235	271	128, 198
Financial Corp of Amer	9	11	164	211
Firestone Tire & Rubber	903	**	348	67
First Atlanta	337	55	37	71
First Bank System	523	381	575	71
First Boston	51	3	11	144
First Chicago	781	372	597	71
First City Bancorp	373	621	841	71
First Executive	46	9	19	163
First Interstate Bancorp	388	419	631	71
First Natl State Bancorp	455	154	244	71
First Natl Supermarkets	787	**	133	202
First Pennsylvania	963	**	896	71
First Security	515	576	779	71
First Union	302	224	97	71
First Wisconsin	598	234	469	71
Fischbach	357	114	550	109
Fisher Foods	853	**	726	202
Fleet Financial Group	265	131	119	71
Fleetwood Enterprises	753	**	31	109, 168
Fleming Cos	259	160	87	198
Florida Power & Light	624	466	396	134
Florida Progress	664	446	442	134
Flowers Industries	226	189	30	148
Fluor	250	722	895	109
FMC	616	476	264	50, 118, 128
Food Lion	40	81	72	202
Foodarama Supermarkets	916	**	434	202
Ford Motor	919	**	269	62
Fort Howard Paper	89	155	198	181, 185
L B Foster	44	**	912	178
Foster Wheeler	175	488	800	109, 160
Foxboro	717	714	673	160
FoxMeyer	6	63	**	154
Freeport-McMoran	87	281	893	118, 187
Fremont General	105	**	599	163
Frontier Holdings	340	**	685	54
Fruehauf	878	**	616	62
Fuqua Industries	414	**	126	126, 128, 168
GAF	947	**	215	113, 118
Gannett	144	229	287	190
Gap Stores	185	61	64	196
Gates Learjet	470	753	752	50
GATX	870	**	835	204
GEICO	24	322	29	163
Gelco	273	**	845	198
GenCorp	865	692	419	50, 67

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

	Rank			
Company	**Profitability**	**Growth**	**Stock market**	**Industry survey page**
General Cinema	54	30	58	78, 168
General Dynamics	231	**	270	50
General Electric	208	280	252	126, 128, 133
General Foods	358	413	422	148
General Host	306	**	142	202
General Instrument	264	480	647	140
General Mills	252	193	302	148
General Motors	840	**	494	62
General Public Utils	897	719	612	134
General Re	161	195	212	163
General Refractories	967	**	829	160
General Signal	424	487	648	133, 140, 160
Genesco	943	**	499	58, 196
Genuine Parts	207	312	306	67
Geo International	141	**	949	178
Georgia-Pacific	794	746	813	113, 185
Gerber Products	396	276	230	148
Giant Food	199	86	54	202
Gibraltar Finl Corp Cal	937	**	854	211
Gifford-Hill	807	762	746	113
Gillette	262	333	292	126
Glendale Federal S&L	**	**	**	211
Global Marine	42	40	910	178
Godfrey	723	690	461	202
Golden West Financial	485	**	402	211
B F Goodrich	886	**	563	67, 118
Goodyear Tire & Rubber	776	462	334	67
Gordon Jewelry	539	556	633	196
Gould	720	709	802	50, 140
W R Grace	445	546	751	118, 128, 196
W W Grainger	310	422	505	133
Great Amer First Savings	899	**	**	211
Great Atl & Pacific Tea	958	**	332	202
Great Northern Nekoosa	590	525	479	185
Great Western Financial	896	**	735	211
Greyhound	576	421	466	204
Grumman	627	166	220	50
GTE	490	408	555	208
Guardian Industries	93	140	49	113
Gulf & Western Inds	746	**	357	128, 144, 168
Gulf Resources & Chem	944	**	907	118, 121
Gulf States Utilities	544	383	722	134
Gulfstream Aerospace	**	**	**	50
Halliburton	286	540	859	160, 178
Hammermill Paper	711	588	274	185
Handy & Harman	351	644	790	170
Hannaford Bros	214	100	32	202
Hanover Insurance Cos	324	311	222	163
Harcourt Brace Jovanovich	571	519	195	190
Harnischfeger	954	**	875	156
Harris Corp	333	562	828	50, 122
Harsco	605	656	511	113, 160
Hartmarx	654	134	96	58, 196
Harvey Hubbell	280	309	311	133
Hawaiian Electric Inds	761	549	438	134
Heck's	465	603	661	194
G Heileman Brewing	41	70	458	78
H J Heinz	239	129	110	148
Hercules	539	553	445	50, 118
Hershey Foods	224	135	115	148
Hewlett-Packard	217	89	248	122, 140
Hilton Hotels	92	384	414	168
Holiday Inns	458	318	246	168

	Rank			
Company	**Profitability**	**Growth**	**Stock market**	**Industry survey page**
Holly Corp	370	514	906	187
Home Federal S&L Cal	**	**	**	211
Honeywell	534	451	559	50, 122, 140
Hoover	839	**	295	126
Hoover Universal	591	536	263	67, 160
George A Hormel	516	437	428	148
Hospital Corp of Amer	157	41	176	154
Household International	710	568	383	128, 144, 194
Houston Industries	577	575	732	134
Houston Natural Gas	112	249	724	172
HRT Industries	974	**	891	194
Hughes Tool	392	**	911	178
Humana	20	16	83	154
Huntington Bancshares	521	456	218	71
E F Hutton Group	45	58	56	144
IC Industries	841	653	265	128, 148, 204
Ideal Basic Industries	844	**	881	113
Idle Wild Foods	416	607	508	148
Illinois Power	453	373	669	134
Illinois Tool Works	329	399	258	160
Imperial Corp of Amer	956	**	894	211
Inco	957	**	921	170
Ingersoll-Rand	838	**	847	160
Inland Steel	933	**	871	170
Insilco	436	570	339	113, 140
Inspiration Resources	952	**	**	118, 170
Intel	193	578	440	140
Interco	615	560	515	58, 128
InterFirst	574	**	901	71
Interlake	842	566	439	170
IBM	107	243	346	122
Intl Flavors & Frag	164	444	586	118
International Harvester	972	**	945	62, 156
Intl Minerals & Chem	465	597	789	118
Intl Multifoods	499	273	524	148
International Paper	633	667	583	181, 185
InterNorth	343	418	591	172
Interpublic Group	237	528	290	190
Interstate Bakeries	946	**	345	148
Iowa-Illinois Gas & El	299	279	486	134
Iowa Resources	512	441	610	134
IPALCO Enterprises	490	334	482	134
Irving Bank	480	323	388	71
ITT	617	477	754	128, 163, 208
IU International	174	632	553	128, 204
James River Corp of Va	29	109	81	185
Jefferson-Pilot	663	485	335	163
Jefferson Smurfit	8	1	**	181
Jerrico	291	92	221	198
Jim Walter	813	745	674	113
Johnson & Johnson	222	272	630	126, 154
Johnson Controls	430	448	613	67, 133
Earle M Jorgensen	572	691	490	170
Joy Manufacturing	598	743	655	156
K mart	567	501	549	194
Kaiser Aluminum & Chem	835	**	863	170
Kaman	498	260	93	50, 160
Kaneb Services	101	522	928	121, 178
Kansas City Power & Lt	533	174	602	134
Kansas Power & Light	456	269	340	134
Kaufman & Broad	895	**	416	109, 163
Kay	587	**	692	148, 196
Kellogg	62	240	307	148

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

Rank				
Company	Profitability	Growth	Stock market	Industry survey page
Kellwood	868	340	177	58
Kelly Services	78	390	175	198
Kemper	384	625	562	163
Kentucky Utilities	708	321	617	134
Kerr Glass Mfg	915	**	642	181
Kerr-McGee	601	481	809	187
Keystone Consol Inds	**	**	**	170
Kidde	544	483	480	128
Kimberly-Clark	295	517	249	126, 185
KN Energy	477	461	**	172
Knight-Ridder Newspapers	365	331	285	190
Koppers	873	**	865	113, 118, 128
Kroger	404	460	316	202
Laclede Gas	607	471	234	172
Lafarge	901	**	**	113
Lear Siegler	124	509	354	50, 67, 128
Leaseway Transportation	329	612	649	204
Levi Strauss	97	521	862	58
Levitz Furniture	638	533	172	196
Libbey-Owens-Ford	859	728	343	67
Life Investors	621	411	404	163
Eli Lilly	138	300	756	154
Limited	22	8	1	196
Lincoln National	693	529	379	163
Liquid Air	549	623	836	118
Litton Industries	76	**	475	50, 128, 160
Lockheed	3	**	78	50
Loews	162	136	88	163, 214
Lone Star Industries	783	**	837	113
Long Island Lighting	484	454	909	134
Longs Drug Stores	251	326	482	196
Longview Fibre	832	712	856	181, 185
Louisiana Land & Explor	224	640	**	187
Louisiana-Pacific	861	**	763	113
Louisville Gas & Elec	697	406	579	134
M Lowenstein	852	**	25	210
Lowe's Companies	409	291	98	196
LTV	527	**	623	50, 170
Lubrizol	203	650	843	118
Lucky Stores	137	497	728	194, 202
Lukens	917	**	812	170
M/A-Com	231	145	416	140, 208
Mack Trucks	926	**	**	62
Macmillan	884	**	132	190
R H Macy	206	83	95	194
Magic Chef	757	456	73	126
Manhattan Industries	850	**	143	58, 196
Manufacturers Hanover	510	331	781	71
Manufacturers National	763	636	393	71
Manville	909	**	938	113
MAPCO	243	676	869	187
Marine Midland Banks	749	112	554	71
Marriott	165	71	57	168, 198
Marsh & McLennan Cos	57	354	496	163
Marsh Supermarkets	497	670	101	202
Martin Marietta	168	428	289	50, 128
Maryland National	560	252	185	71
Masco	204	310	278	113
Massey-Ferguson	983	**	939	156
Mattel	969	**	465	168
May Department Stores	434	292	208	194
Maytag	90	400	360	126
MCA	403	478	495	168

Rank				
Company	Profitability	Growth	Stock market	Industry survey page
McCormick	343	149	431	148
McDermott International	796	349	785	160, 178
McDonald's	124	133	179	198
McDonnell Douglas	594	302	358	50
McGraw-Edison	730	671	596	133, 160
McGraw-Hill	129	184	154	190
MCI Communications	1	**	33	208
McKesson	416	583	493	78, 154
McLean Industries	433	**	**	204
MCorp	210	182	634	71
Mead	782	**	557	181, 185
Media General	320	168	236	190
MEI	53	59	18	78
Mellon Bank	570	226	470	71
Melville	68	196	163	58
Mercantile Bancorp	430	328	349	71
Mercantile Stores	401	132	90	194
Merck	127	351	677	154
Meredith	273	125	48	190
Merrill Lynch	169	68	147	144
MGM Grand Hotels	336	679	539	168
MGM/UA Entertainment	703	511	611	168
Michigan National	837	**	783	71
MidCon	584	414	568	172
Middle South Utilities	577	504	761	134
Midland-Ross	823	**	882	133, 160
Midlantic Banks	158	117	188	71
Minn Mining & Mfg	171	489	457	128
Mission Insurance Group	98	**	931	163
Mitchell Energy & Dev	32	159	529	172, 187
Mobil	326	507	753	187
Mohasco	907	**	235	126
Monfort of Colorado	654	**	232	148
Monsanto	732	445	501	118
Montana Power	476	264	643	134
Moore Corp	353	530	507	176
Moore McCormack Res	704	741	866	113
J P Morgan	381	266	456	71
Morrison-Knudsen	374	290	411	109
Morse Shoe	675	**	565	196
Morton Thiokol	200	97	202	50, 118
Motorola	422	382	313	140, 208
Munford	518	**	59	202
G C Murphy	827	4	171	194
Murphy Oil	146	84	755	187
Nabisco Brands	255	202	429	148
Nalco Chemical	94	324	552	118
Nash Finch	544	388	338	198, 202
Nashua	879	**	810	176
National Can	580	623	538	181
National City	638	527	686	71
Natl Convenience Stores	55	124	71	202
Natl Distillers & Chem	741	684	806	118, 128, 187
National Fuel Gas	667	314	268	172
National Gypsum	735	710	443	113
National Intergroup	951	**	762	170
Natl Medical Enterprises	131	33	156	154
National Semiconductor	505	**	491	140
Natl Service Industries	223	208	157	133, 198
National-Standard	920	**	861	170
NBD Bancorp	699	464	448	71
NCNB	354	233	213	71
NCR	468	569	516	122

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
New England Elec System	427	237	452	134
NY State Electric & Gas	512	395	594	134
New York Times	228	43	47	190
Newmont Mining	501	658	766	170
NI Industries	**	**	**	67, 126
Niagara Mohawk Power	567	302	605	134
NICOR	598	704	844	172
NIKE	4	6	890	58
NL Industries	499	**	878	118, 178
Nordstrom	279	110	120	196
Norfolk Southern	553	609	**	204
Norstar Bancorp	397	239	299	71
North American Coal	479	407	608	121
North American Philips	586	450	170	140
Northeast Utilities	644	215	497	134
No Indiana Public Svc	804	616	765	172
Northern States Power	496	246	372	134
Northern Trust	769	582	347	71
Northrop	443	732	184	50
Northwest Airlines	893	733	619	54
Northwest Industries	309	**	433	128
Northwest Steel & Wire	876	**	920	170
Northwestern Natl Life	806	686	464	163
Norton	557	711	735	160
Norwest	597	551	801	71
Nucor	87	635	513	170
NVF	950	**	942	170
NYNEX	**	**	**	208
Oak Industries	932	**	950	140
Occidental Petroleum	37	**	725	148, 187
Ogden	536	645	694	128
Ohio Casualty	271	619	708	163
Ohio Edison	629	251	768	134
Oklahoma Gas & Electric	634	247	459	134
Old Republic Intl	177	431	315	163
Olin	818	473	426	118, 128
Oneok	345	567	709	172
Orange & Rockland Utils	589	373	390	134
Outboard Marine	834	96	128	168
Owens-Corning Fiberglas	790	706	7[illegible]0	113
Owens-Illinois	803	698	337	181
Oxford Industries	410	38	36	58
Pabst Brewing	**	**	**	78
PACCAR	458	723	407	62
Pacific Gamble Robinson	814	688	757	198, 202
Pacific Gas & Electric	596	348	556	134
Pacific Lighting	461	298	415	172
Pacific Resources	258	596	833	187
Pacific Telesis Group	720	**	**	208
PacifiCorp	505	287	587	134
Paine Webber Group	234	**	45	144
Palm Beach	298	613	205	58
Pan Am Corp	961	**	846	54
Panhandle Eastern	262	404	641	172
Pantry Pride	973	**	451	202
Parker Drilling	221	**	935	178
Parker-Hannifin	420	647	391	160
Parker Pen	580	**	743	198
Pay Less Drug Stores NW	153	123	52	196
Payless Cashways	181	103	303	196
Pay'n Save	508	508	474	196
Peabody International	910	**	662	160
Penn Central	798	**	145	50, 128, 187

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Penn Traffic	668	572	627	202
J C Penney	660	228	320	194
Pennsylvania Power & Lt	617	498	581	134
Pennwalt	664	672	699	118
Pennzoil	75	541	786	187
Peoples Energy	512	563	366	172
PepsiCo	261	472	395	78, 148
Perini	648	45	**	109
Perkin-Elmer	301	393	663	50, 140
Petrie Stores	143	555	408	196
Pettibone	968	**	946	156
Pfizer	267	236	326	154
Phelps Dodge	911	**	919	170
PHH Group	81	79	238	198
Phibro-Salomon	23	73	226	144, 187
Philadelphia Electric	654	362	747	134
Philip Morris	99	141	254	214
Phillips Petroleum	285	579	805	187
Phillips-Van Heusen	774	164	94	58
Piedmont Aviation	73	366	204	54
Pillsbury	321	284	207	148, 198
Pioneer	47	227	509	172
Pioneer Hi-Bred Intl	106	198	239	148
Pitney Bowes	188	405	262	176
Pittston	908	**	922	54, 121
PNC Financial	381	147	**	71
Polaroid	880	708	787	168
Portland General Elec	557	72	636	134
Potlatch	805	730	784	185
Potomac Electric Power	632	294	280	134
PPG Industries	532	447	224	67, 113
Price Co	5	5	**	196
Primark	874	138	296	172
Prime Computer	16	50	261	122
Procter & Gamble	227	257	481	126
Provident Life & Acc	490	376	423	163
PSA	520	**	796	54
Public Service Colorado	696	371	580	134
Public Service E&G	687	469	607	134
Public Service Indiana	358	327	934	134
Pueblo International	799	594	84	202
Puget Sound Power & Lt	651	467	820	134
Pulte Home	25	47	4	109
Purolator Courier	205	121	564	54, 67
Quaker Oats	452	558	196	148
Quaker State Oil	551	353	723	187
Questar	494	187	279	172
Rainier Bancorporation	562	435	413	71
Ralston Purina	366	253	139	148
Ramada Inns	939	**	863	168
Rath Packing	981	**	951	148
Raychem	321	346	739	133
Raytheon	121	337	681	50, 128, 140
RCA	739	**	468	81, 128, 140
Reading & Bates	213	343	885	178
Reichhold Chemicals	857	595	186	118
Republic Airlines	979	**	839	54
Republic New York	108	102	158	71
RepublicBank	304	213	652	71
Research-Cottrell	812	678	777	160
Resorts International	122	725	666	168
Revco D S	163	144	251	196
Revere Copper & Brass	931	**	831	170

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Revlon	377	663	853	126, 154
Rexnord	825	760	815	160
R J Reynolds Industries	82	289	310	148, 214
Reynolds Metals	871	**	773	170
Richardson-Vicks	792	490	760	126
Riegel Textile	758	665	626	210
Rite Aid	102	77	74	196
RLC	906	737	**	204
Roadway Services	183	232	276	204
Robertshaw Controls	793	553	192	133
H H Robertson	257	254	203	113
A H Robins	440	170	242	154
Rochester Gas & Elec	608	275	603	134
Rockwell International	269	217	211	50, 67
Rohm & Haas	501	204	209	118
Rohr Industries	304	240	146	50
Rollins	827	677	**	198
Rolm	13	20	107	208
Roper Corp	796	470	136	126
Rorer Group	135	354	430	154
Rose's Stores	505	91	5	194
Ruddick	314	282	75	202
Ryan Homes	642	696	718	109
Ryder System	229	352	210	204
Rykoff-Sexton	671	223	162	198
Safeco	509	577	478	163
Safeway Stores	583	453	530	202
Saga	397	25	15	198
St Paul Cos	468	539	690	163
St Regis	780	734	362	181, 185
San Diego Gas & Elec	524	180	445	134
Sanders Associates	150	181	297	50, 176
Santa Fe Southern Pacific	709	464	**	204
Savannah Foods & Inds	70	**	40	148
Savin	869	**	925	176
Schering-Plough	313	573	640	126, 154
Schlumberger Limited	35	108	794	140, 178
SCM	771	661	354	113
SCOA Industries	59	207	153	194
Scott & Fetzer	383	493	200	128, 190
Scott Paper	738	627	403	126, 185
Scovill	752	**	492	113
Sea-Land	**	**	**	204
Seagram	563	111	166	78
G D Searle	186	118	134	154
Sears, Roebuck	761	430	409	144, 194
Seaway Food Town	421	547	523	202
Security Pacific	319	262	255	71
SEDCO	64	7	245	178
Service Merchandise	170	219	381	196
ServiceMaster Inds	19	69	141	198
Shaklee	72	231	377	126
Shawmut	681	156	168	71
Shell Oil	260	186	327	187
Sheller-Globe	856	**	125	67
Sherwin-Williams	689	13	50	113, 196
Shopwell	820	39	151	202
Signal Cos	647	724	680	50, 109, 128
Singer	940	**	103	50, 126
Skyline	854	707	608	109, 168
Smart & Final Iris	712	716	41	202
A O Smith	902	**	745	67
Smith International	556	**	932	178

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Smithfield Foods	316	736	781	148
SmithKline Beckman	26	146	826	154
Snap-On Tools	135	479	644	67
Society	662	496	406	71
SONAT	238	126	624	172
Sonoco Products	346	338	214	181
So Carolina Elec & Gas	644	475	540	134
Southeast Banking	441	377	384	71
So California Edison	447	255	382	134
Southern Company	613	210	484	134
So New England Tel	621	361	325	208
Southern Union	351	564	659	172
Southland	335	187	590	187, 202
Southwest Forest Inds	924	**	776	113, 185
Southwestern Bell	**	**	**	208
Southwestern Public Svc	282	307	437	134
Sovran Financial	419	137	**	71
Sperry	718	699	855	50, 122
Springs Industries	783	178	412	126, 210
Square D	184	600	435	133
Squibb	557	425	584	154
A E Staley Mfg	429	637	799	148
Stanadyne	450	494	312	160
Std Commercial Tobacco	252	320	259	214
Standard Oil Indiana	236	278	526	187
Standard Oil Ohio	17	75	780	187
Stanley Works	503	565	668	126, 160
State Street Boston	244	24	16	71
Stauffer Chemical	673	**	870	118
Sterling Drug	386	350	589	126, 154
J P Stevens	894	**	653	210
Stewart & Stevenson	801	**	848	160
Stewart-Warner	832	740	621	160
Stone Container	565	**	190	181
Stop & Shop Cos	288	46	17	194, 202
Storage Technology	191	**	944	122
Storer Communications	822	**	441	81
Strawbridge & Clothier	714	198	21	194
Student Loan Marketing	27	10	**	144
Subaru of America	7	15	7	62
Sun Banks	487	212	324	71
Sun Chemical	424	748	460	118, 140
Sun Company	293	524	561	187
Sundstrand	166	592	710	50, 160
Super Food Services	652	271	77	198
Super Valu Stores	66	160	189	198
Supermarkets General	155	162	80	202
Swift Independent	349	**	375	148
Sybron	890	**	678	154
Sysco	192	74	43	198
Talley Industries	949	**	421	50, 126
Tandy	11	32	111	168
TECO Energy	463	408	485	134
Tecumseh Products	387	531	548	160
Tektronix	369	587	797	140
Teledyne	74	305	91	128, 160, 163
Temple-Inland	811	**	**	113, 181
Tenneco	366	503	804	172, 187
Tesoro Petroleum	49	419	892	187
Texaco	454	426	683	187
Texas Air	977	**	821	54
Texas American Bancshrs	412	342	331	71
Texas Commerce Bancshrs	154	95	333	71

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

Where to find the company

Rank

Company	Profitability	Growth	Stock market	Industry survey page
Texas Eastern	338	532	824	172
Texas Instruments	745	*	570	50, 140
Texas Oil & Gas	36	35	109	187
Texas Utilities	401	250	510	134
Textron	676	680	576	50, 128, 160
Thorn Apple Valley	691	**	883	148
Thrifty Corp	397	190	131	196
Tidewater	295	751	792	178
Tiger International	966	**	930	54
Time Inc	**	**	**	81, 190
Times Mirror	247	401	281	190
Timken	821	**	733	160, 170
Todd Shipyards	38	80	370	50
Toledo Edison	611	391	767	134
Torchmark	610	267	140	163
Toro	935	**	915	126
Tosco	133	**	952	187
Toys "R" Us	50	31	8	168
Trans World Airlines	953	**	**	54
Transamerica	464	590	504	144, 163
Transco Energy	195	139	714	172
Transway International	680	694	588	204
Transworld	**	486	**	168, 198
Travelers	547	574	359	163
Tribune	686	618	**	190
Trinity Industries	109	689	542	113
Trust Co of Georgia	111	48	46	71
TRW	277	542	342	67, 128, 140
Turner Construction	77	42	118	109
Tyco Laboratories	63	495	228	181, 198
Tyler	363	642	397	160
Tyson Foods	524	442	55	148
UAL	927	**	369	54
UGI	725	756	873	172
Unidynamics	807	729	729	160
Union Camp	437	544	416	181, 185
Union Carbide	743	739	676	118, 128
Union Electric	585	373	614	134
Union Pacific	612	605	731	187, 204
Uniroyal	928	**	136	67, 118
United Brands	921	**	734	148
United Energy Resources	120	685	838	172
United Illuminating	356	205	868	134
United Merchants & Mfrs	964	**	216	58, 210
U S Bancorp	427	484	592	71
United States Gypsum	588	687	314	113
U S Home	548	726	808	109
United States Shoe	167	94	61	58, 196
United States Steel	934	**	566	170, 187
U S West	659	**	**	208
United Technologies	312	370	424	50, 113, 128
United Telecom	292	523	721	208
United Virginia Bankshrs	358	158	173	71
Univar	619	681	574	118
Universal Foods	376	258	488	148
Universal Leaf Tobacco	256	206	257	118, 214
Unocal	246	211	336	187
Upjohn	241	506	567	154
USAir Group	118	411	42	54

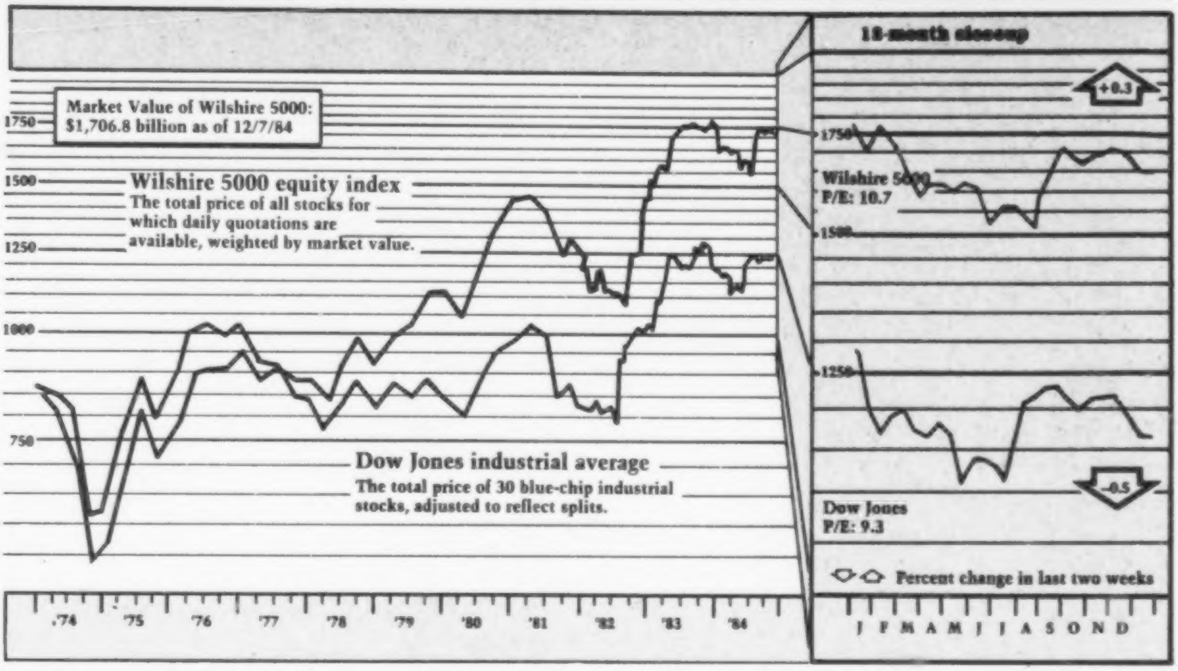
Rank

Company	Profitability	Growth	Stock market	Industry survey page
USF&G	355	661	632	163
USLIFE	543	516	528	163
Utah Power & Light	661	367	547	134
Valero Energy	145	22	913	172
Valley National	377	512	582	71
Varian Associates	791	**	233	140
VF	60	27	39	58
Vulcan Materials	249	538	260	113, 118
Wachovia	347	157	144	71
Wal-Mart Stores	28	23	6	194
Waldbaum	449	115	122	202
Walgreen	173	104	28	196
Wang Laboratories	31	17	108	122
Warnaco	194	82	79	58
Warner Communications	233	**	742	140, 168
Warner-Lambert	764	631	427	154
Washington Gas Light	725	277	476	172
Washington National	733	659	638	163
Washington Post	128	293	70	190
Waste Management	104	51	150	198
Del E Webb	885	727	537	109, 168
Weis Markets	189	163	124	202
Wells Fargo	537	436	410	71
Wendy's International	69	176	76	198
West Point-Pepperell	657	285	275	126, 210
Western Air Lines	976	**	933	54
Western Co of North Am	99	**	916	178
Western Union	900	**	867	208
Westinghouse Electric	418	330	197	50, 128, 133
Westmoreland Coal	922	**	884	121
Westvaco	641	592	356	185
Wetterau	593	584	266	198
Weyerhaeuser	731	735	819	113, 185
Wheeling-Pitts Steel	941	**	771	170
Whirlpool	327	270	240	126
White Consolidated Inds	669	664	706	126
Whittaker	202	438	778	128, 154
Wickes Cos	982	**	941	196
WICOR	751	615	660	172
Willamette Industries	768	749	650	113, 185
Williams Cos	778	218	823	118, 172
H J Wilson	606	668	625	196
Wilson Foods	959	**	352	148
Winn-Dixie Stores	172	319	368	202
Wisconsin Elec Power	552	216	309	134
Wisconsin Power & Light	457	203	463	134
Wisconsin Public Service	527	339	378	134
Witco Chemical	393	515	450	118
F W Woolworth	889	**	531	194
Worthington Industries	61	341	432	170
Wm Wrigley Jr	477	449	487	148
Wyman-Gordon	195	119	319	50, 156
Xerox	439	641	898	176
Yellow Freight System	715	580	294	204
Zale	756	**	572	196
Zapata	314	12	686	178
Zayre	475	64	3	194
Zenith Electronics	867	**	229	126; 140
Zurn Industries	377	559	654	160

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.

Sources: Media General Financial Services, Inc.; Forbes

The Forbes/Wilshire 5000 Review



Lost in space. By the end of the most recent four-week period the market finished about where it started: The broadly based Wilshire index of nearly 5,700 issues was virtually unchanged. During the last two weeks stocks quietly drifted slightly higher on generally moderate volume. The Wilshire advanced 0.3% and the NYSE gained 0.6%. But both the 30 Dow industrials and secondary issues failed to post gains. The Dow—hurt by new lows for Bethlehem Steel and Union Carbide—was off 0.5%. While Amex-listed shares lost the most ground, with a 1.1% decline, NASDAQ issues, with a 1% drop, were not far behind.

In this time of uncertainty, investors continued to buy conservative issues and to sell stocks that carry higher risk. During the last four weeks share prices of large companies rose 0.4% while those of small firms declined 4.6%. Over the same stretch, issues priced under $5 dropped 6.9%, vs. a 0.5% gain for shares priced over $40. The strength of better-quality securities gives Wall Street cause for encouragement. So does the recent drop in the prime rate and signs that the budget deficit may be reduced. If the economic recovery doesn't get sidetracked, many stocks may well end this year with higher prices than they carried in December 1984.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	0.0	0.5	-0.7	0.4	-3.2	-1.8
in last 52 weeks	-2.0	1.8	-5.4	0.7	-8.2	-13.5

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	0.4	-4.6	-3.7	0.2	-5.4	-0.5	1.1	-3.0	-4.8	0.6	0.5	-6.9
in last 52 weeks	-0.3	-9.4	-16.1	10.8	-21.1	7.0	8.5	-14.3	-12.3	8.7	3.5	-18.8

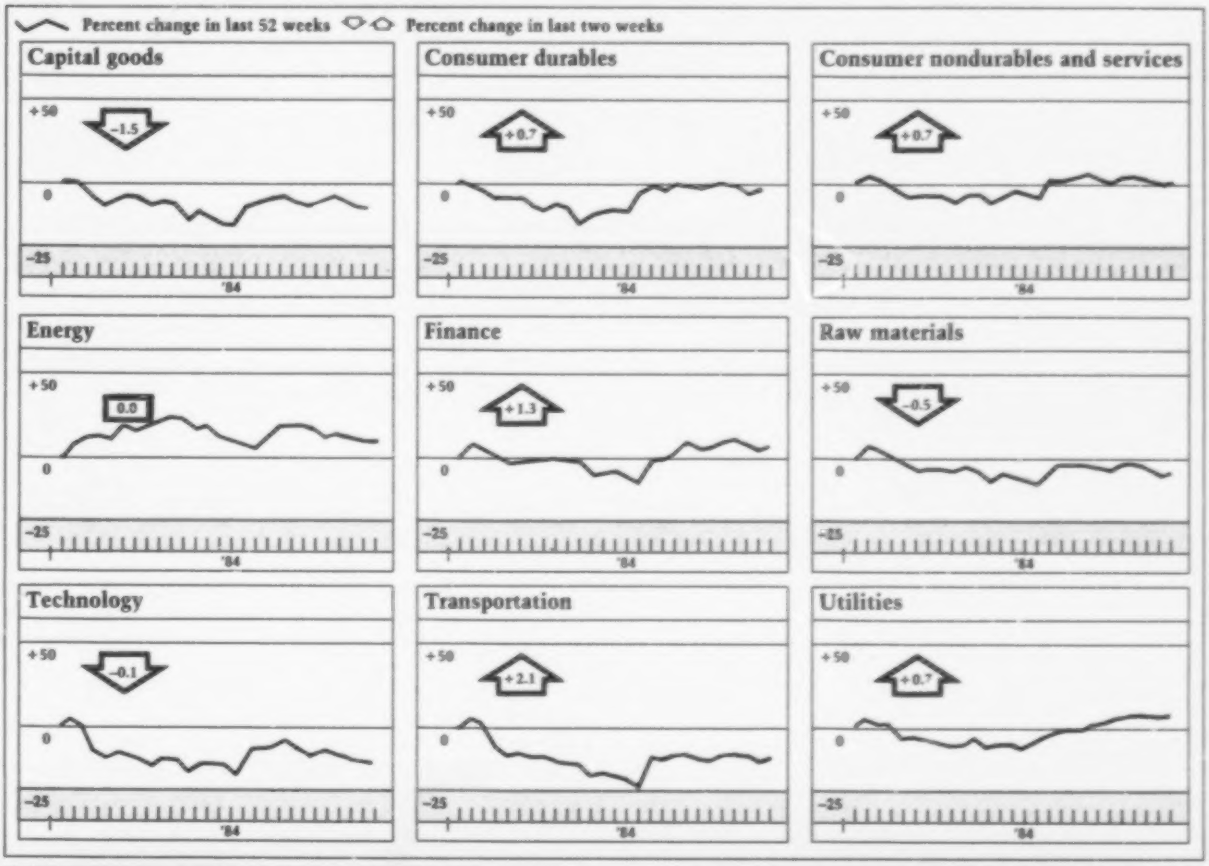
[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 12/17/84. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Margins climb as fuel costs drop. It didn't take investors long to figure out that the continued weakness in oil prices would aid the airline industry. In the last two weeks transportation stocks lead the pack with a 2.1% gain. The boost comes from healthy jumps in airline stocks as well as modest gains in the prices of rails and motor carriers. Over the past four weeks this sector also ranks first, pulling in a 3.1% gain.

For the two-week period the second best performing group is finance, which sports a 1.3% increase. Over the four-week stretch the utility sector, with a 2.2% rise, takes second-best honors. Meanwhile, three sectors—raw materials, capital goods and technology—show losses for both the two- and four-week periods.



What The Analysts Think

Still ranked first: utilities. This sector remains on top in terms of two-week changes in estimates, even though this table is now weighted according to market capitalization. There's another change, too. We now include sector P/Es based on 1984 earnings projections—and note that utilities sport the lowest estimated multiple.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.81	9.4
1984 estimates	3.96	9.1
1985 estimates	4.62	7.8

Rank based on change in estimate	Sector	Estimated 1984 EPS	Estimated 1984 P/E	% change in 1984 estimate in 2 weeks	% change in 1984 estimate in 4 weeks
1	Utilities	$3.34	7.2	0.06%	0.10%
2	Consumer durables	4.74	8.2	-0.15	-0.06
3	Energy	3.39	8.3	-0.46	-1.15
4	Capital goods	2.50	12.6	-0.65	-0.79
5	Finance	2.84	9.8	-0.75	-1.15
6	Transportation	2.66	9.2	-0.77	-1.33
7	Consumer nondurables	2.63	11.4	-0.77	-1.23
8	Raw materials	2.22	11.2	-2.36	-3.61
9	Technology	2.81	11.9	-3.47	-4.08

Earnings projections are capital-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 12/17/84. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

JANUARY 28, 1985 THREE DOLLARS

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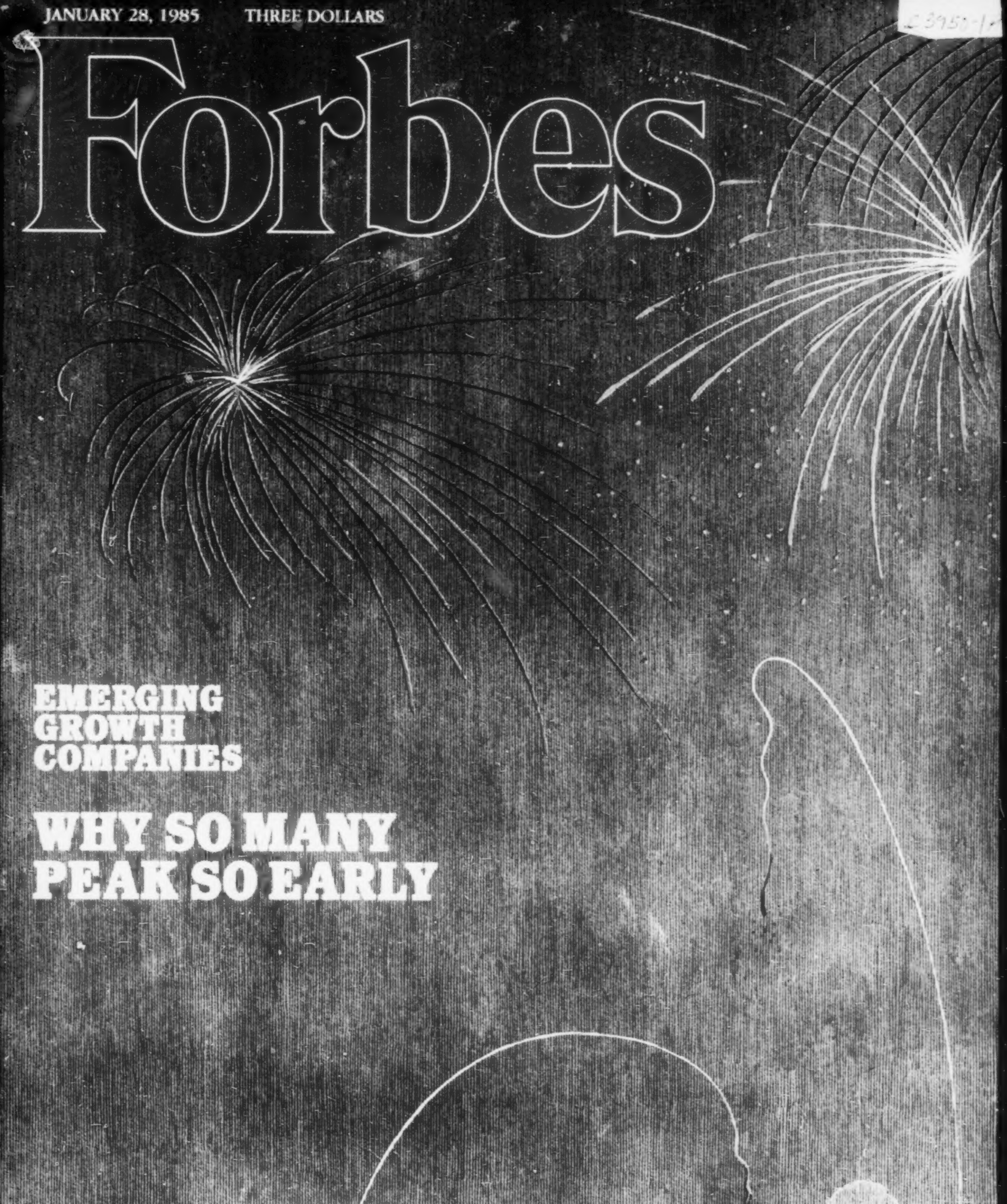
Forbes



chas b slackman

EMERGING GROWTH COMPANIES

WHY SO MANY PEAK SO EARLY

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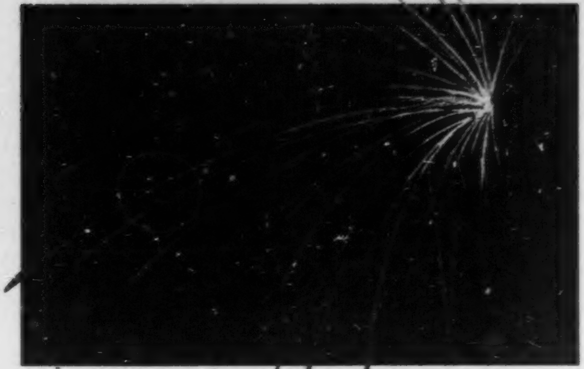
Forbes

January 28, 1985
Volume 135
Number 2



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He was quite a fellow—a New England seaman who jumped ship off the coast of Hawaii in 1809, married the granddaughter of King Kamehameha and founded one of the largest ranches in the U.S. Now his 200-odd descendants are fighting a battle royal over it.

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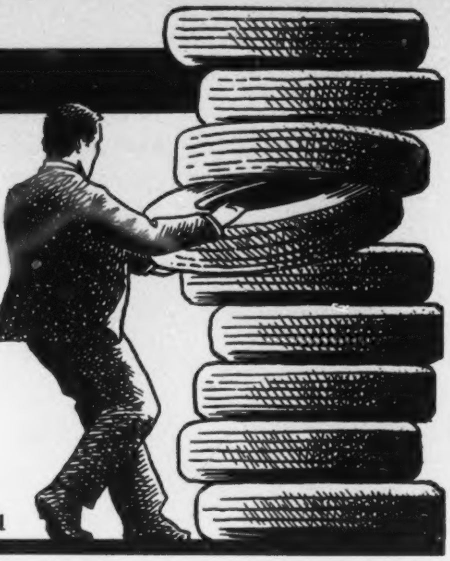

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January 28, 1985 Volume 135 Number 2 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1985 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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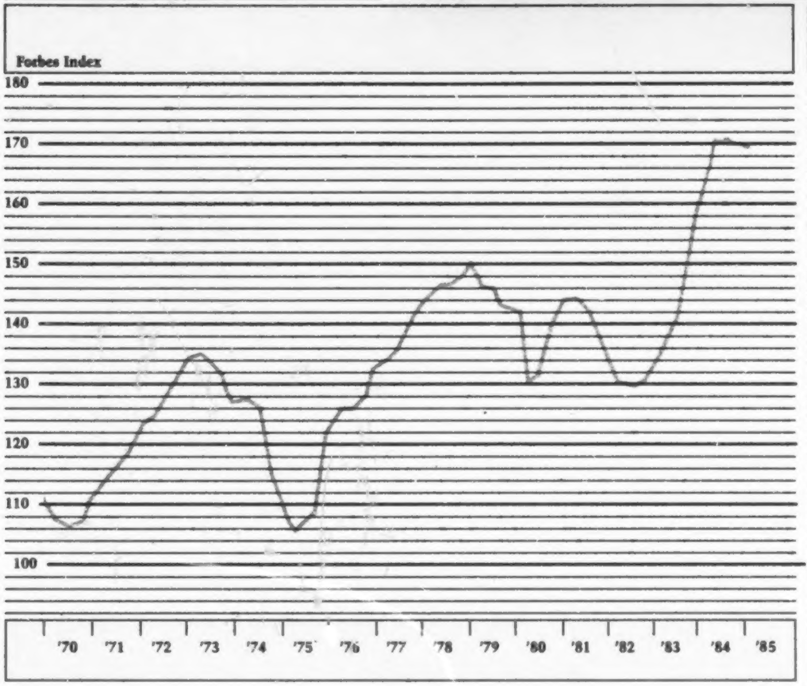
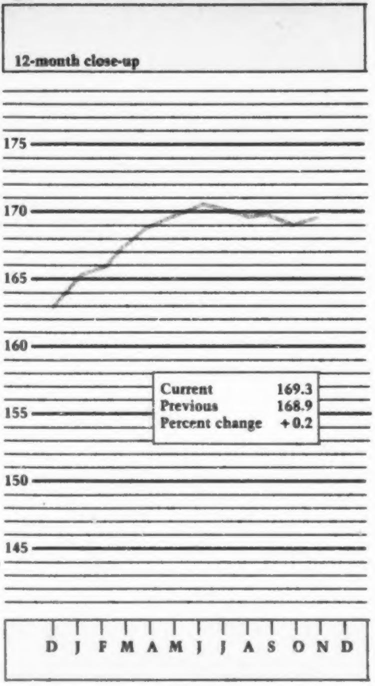
Cover illustration by: Chas. B. Slackman

Edited by Steve Kichen

The Forbes Index





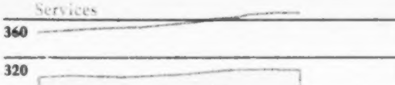
Not going down easily. The economic recovery still appears to be cooling down, but the Forbes Index broke away from its downward course and registered a 0.2% rise in the latest reporting period. Most recent figures for manufacturers' new orders show a 7.8% month-to-month increase. Meanwhile, inventories are down 0.1% from the previous month. The favorable relationship between the most recent monthly figure for inventories and the three-month total for new orders helped push up the Forbes Index.

Good news also comes from the inflation front. The overall Consumer Price Index shows virtually no change from the previous month. And the services component of the CPI shows a monthly rise of less than 0.1%, or only 0.6% on an annualized basis.

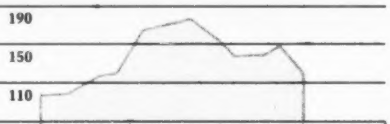
The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

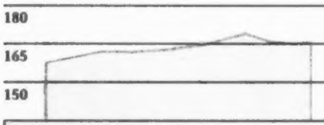
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



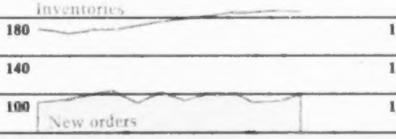
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



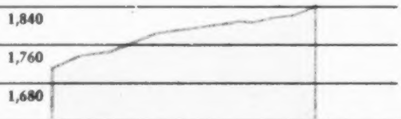
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



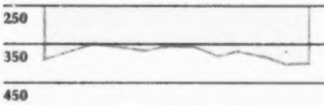
Industrial production index (1967 = 100)
Seasonally adjusted (Federal Reserve)



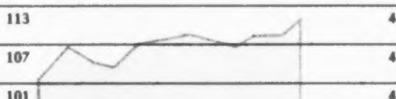
Manufacturers new orders and inventories
($billions) seasonally (Dept. of Commerce)



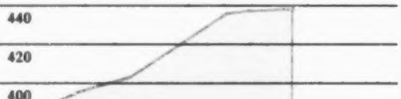
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

Forbes

Electric utilities as potential takeover targets? It sounds weird only until you see the amount of excess cash flow some of them will soon be generating.

Many happy returns

Susan Greenwood/Gamma-Liaison

FPL Group President Marshall McDonald
For widows and orphans, some lower-risk diversification.

By James Cook

"IF A YEAR OR TWO AGO somebody had said the utilities were an industry subject to takeover, I'd have asked what they were smoking," says Marshall McDonald, president and chief executive of Miami's newly formed FPL Group, Inc. "Now I'm not so sure. There may be utilities in the North and elsewhere that have become, in the classic sense, cash cows *[see table, p. 32]*. They've got decreasing demand and great overcapacity."

McDonald doesn't consider the FPL Group vulnerable. But just to be sure, he worked some antitakeover provisions into the Dec. 31, 1984 scheme that converts Florida Power & Light into a subsidiary of the holding company called FPL Group. McDonald is frank to admit that over the next few years FP&L will be generating more cash than it knows what to do with, just like those emerging cash cows to the north.

The problem, if that is the word, is that the utility industry's present construction program is winding down. As it does, the companies won't have to plow back anywhere near so much of their earnings into the business as they did in the past. FP&L's capital outlay peaked at $930 million in 1982 and has since dropped to $721 million. McDonald expects it to stay around that level over the next several years.

There's an even bigger cash kicker. As that new plant finally goes into operation, noncash earnings imputed to funds invested in construction are replaced with cash earnings produced by the actual operating facilities. In the year ended September, for instance, FP&L earned $277 million, about what it did in 1983. But in 1983 only $136 million of that was in cash, vs. $218 million last year. Result: FP&L's cash holdings rose from $5.4 million to $133 million in a year and are likely to go on rising.

No surprise, then, that FP&L's strategy these days is to invest as little as possible in new utility plant and equipment. In the Seventies McDonald was quick to cut FP&L's construction program in line with its faltering demand, so that today FP&L's own capacity is barely large enough to meet its customers' present needs. Yet, despite steady increase in demand in prospect over the next few

A herd of cash cows?

As the utility industry's construction program winds down, many companies are beginning to generate more cash than they can use in their present construction programs. Some may increase their dividends as a result, some diversify into other things, and some conceivably even become takeover targets. The table below, based on estimates made by Salomon Brothers, details how excess cash is beginning to build up in some of the larger utility companies. The companies are generating excess cash when the ratio is better than 1-to-1.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boston Edison	$187	$170	0.91	$118	$170	1.44	$151	$170	1.13
Carolina Power & Light	704	220	0.31	511	313	0.61	436	534	1.22
Consumers Power	600	240	0.40	175	225	1.29	150	225	1.50
Delmarva Power & Light	80	122	1.52	69	117	1.70	83	114	1.37
Detroit Edison	696	90	0.13	387	392	1.01	211	561	2.66
Duke Power	560	617	1.10	626	664	1.06	600	733	1.22
Gulf States Utilities	408	81	0.20	322	81	0.25	252	504	2.00
Illinois Power	434	89	0.21	333	68	0.20	170	180	1.06
Northeast Utilities	517	280	0.54	490	159	0.32	239	388	1.62
Oklahoma Gas & Electric	138	111	0.80	141	128	0.91	127	140	1.10
Pacific Gas & Electric	1,638	1,060	0.65	1,747	1,229	0.70	1,587	1,726	1.09
PacifiCorp	355	434	1.22	370	391	1.06	302	538	1.78
Pennsylvania Power & Light	387	107	0.28	293	376	1.28	292	460	1.58
Portland General Electric	97	190	1.96	121	194	1.60	136	190	1.40
San Diego Gas & Electric	248	160	0.65	242	228	0.94	247	306	1.23
Scana	266	168	0.63	111	164	1.48	116	158	1.36
Wisconsin Electric Power	146	202	1.38	177	118	0.67	138	187	1.36

[illegible]

years, it has no intention of building new capacity. Instead, it expects to ride on the excess capacity its neighboring utilities have been bringing in all over the South. FP&L has a 20% interest in a 550-megawatt project Jacksonville Electric will bring on in 1987 and 1988. It has already arranged to buy power under a long-term contract from the Southern Co., at less cost than if it had built a new plant of its own. With such outside resources available, FP&L may not have to begin thinking of building any new generating capacity until after 1990.

So FP&L has neither the need to invest as much as before nor as much incentive to do so. A year or so back, when FP&L asked for a $335 million rate increase, the Florida Public Service Commission allowed it only $81 million. That seemed to indicate which way the wind was blowing. As FP&L President John Hudiburg complains, "The commission has demonstrated that they allow increases that recover only part of our higher costs. With this scenario, the prospects for adequate earnings for our shareholders are quite difficult to achieve."

That, in the end, is why McDonald turned FP&L into a holding company. If you can't generate adequate earnings in the power business, you sensibly try to generate them elsewhere, outside the utility business, exempt from both state and federal regulation. Why not? Regulation drove the railroads and natural gas companies to diversify years ago. Why shouldn't electric utilities follow suit?

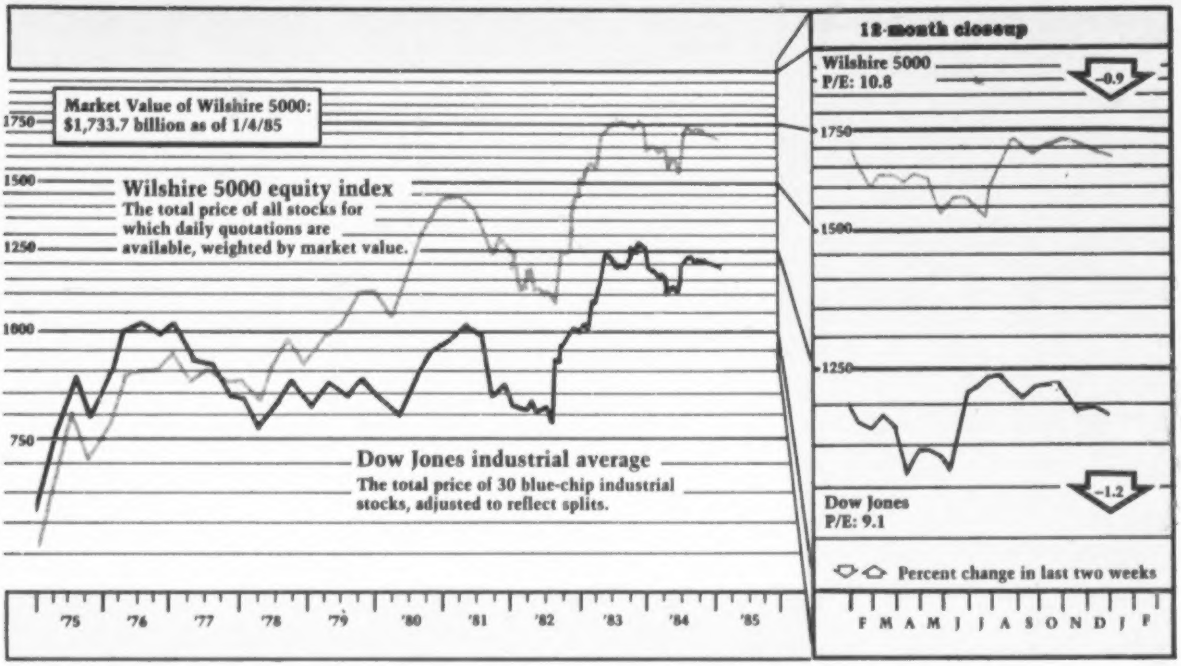
Diversifying won't impair FP&L's utility operations at all, McDonald maintains. Insofar as it strengthens the company overall, it should enable the utility to borrow money on a more favorable basis. Nevertheless, he is uneasy about how the Florida PSC will take to the idea. Outside an initial $200 million (and maybe $75 million a year in proceeds from the company's dividend investment plan), McDonald is evasive about just how much the holding company plans to invest. He's a lot more forthcoming about his investment objectives—to earn at least 2 points more than the 15.6% return FP&L is allowed to earn on its investment, never mind the 12.4% it actually does earn.

At this point, McDonald expects to diversify into businesses where FPL can put into use some of the service and real estate skills it already has: industrial and commercial real estate development (including housing for senior citizens), cable television, central station security and medical alert services for the elderly. He hopes to make his first move before the end of 1985. He expects FPL will be generating between 15% and 20% of its earnings from nonutility operations by 2000. If his plans pay off, the effect should be visible long before that. A 17% return on even that initial $200 million investment would produce $3.4 million, or 6 cents a share.

That sounds pretty promising. But what if the regulators should decide they could justify holding rates down because the company now had other sources of income? Isn't the company worried that FPL will be accused of disinvesting in an essential public service, just as the railroads and natural gas companies were before it?

"A stockholder raised that question at the special shareholders meeting," McDonald says. "She said she had bought stock in a utility that hadn't any risk, and now we were going to spend its money on risky activities. My answer was that, since 1970, this has turned from a widows' and orphans' industry into one of the highest-risk industries there is, so high a risk that some of our sister companies may even go bankrupt. In my opinion, I'm making it a less risky investment by diversifying than it's been for quite a while." ■

The Forbes/Wilshire 5000 Review



Secondary issues hang tough while the rally fizzles. The Dow racked up a nearly 35-point gain during one trading day in mid-December, but the blue chips, once more, couldn't follow through on this spectacular advance. Over the last two weeks the 30 Dow industrials declined 1.2%, and the more than 5,600 stocks that make up the Wilshire index slipped 0.9%. This time, however, Amex and NASDAQ-listed shares bucked the trend and registered slight gains of 0.4% and 0.8%, respectively. And it is NASDAQ issues that show the best four-week performance, with a 3% gain.

Recent strength notwithstanding, secondary stocks underperformed primary issues by a wide margin last year. For the last 52 weeks the NASDAQ is behind 14.5%, vs. a 3.2% decline in the NYSE. Over the same stretch, high-volatility shares dropped 18.1%, while low-volatility issues appreciated 10.3%. Issues priced under $4 fell 21.6%, while shares priced over $40 rose 0.9%. And stocks that don't pay a dividend are off 15.2%, while issues with yields over 7.5% are up 7.2%. Investors would profit handsomely if secondary issues were only to make up their losses of the last year. But Wall Street will probably wait for a sustainable rally in primary stocks before falling in love again with secondary issues.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.3	0.9	1.9	1.2	0.1	3.0
in last 52 weeks	–5.4	–2.3	–7.9	–3.2	–11.2	–14.5

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	1.3	1.6	5.0	1.8	3.5	2.0	1.9	3.9	3.9	2.0	2.0	2.0
in last 52 weeks	–4.3	–12.2	–18.1	10.3	–22.9	3.2	7.2	–15.2	–14.6	7.6	0.9	–21.6

[1] Based on sales.

[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.

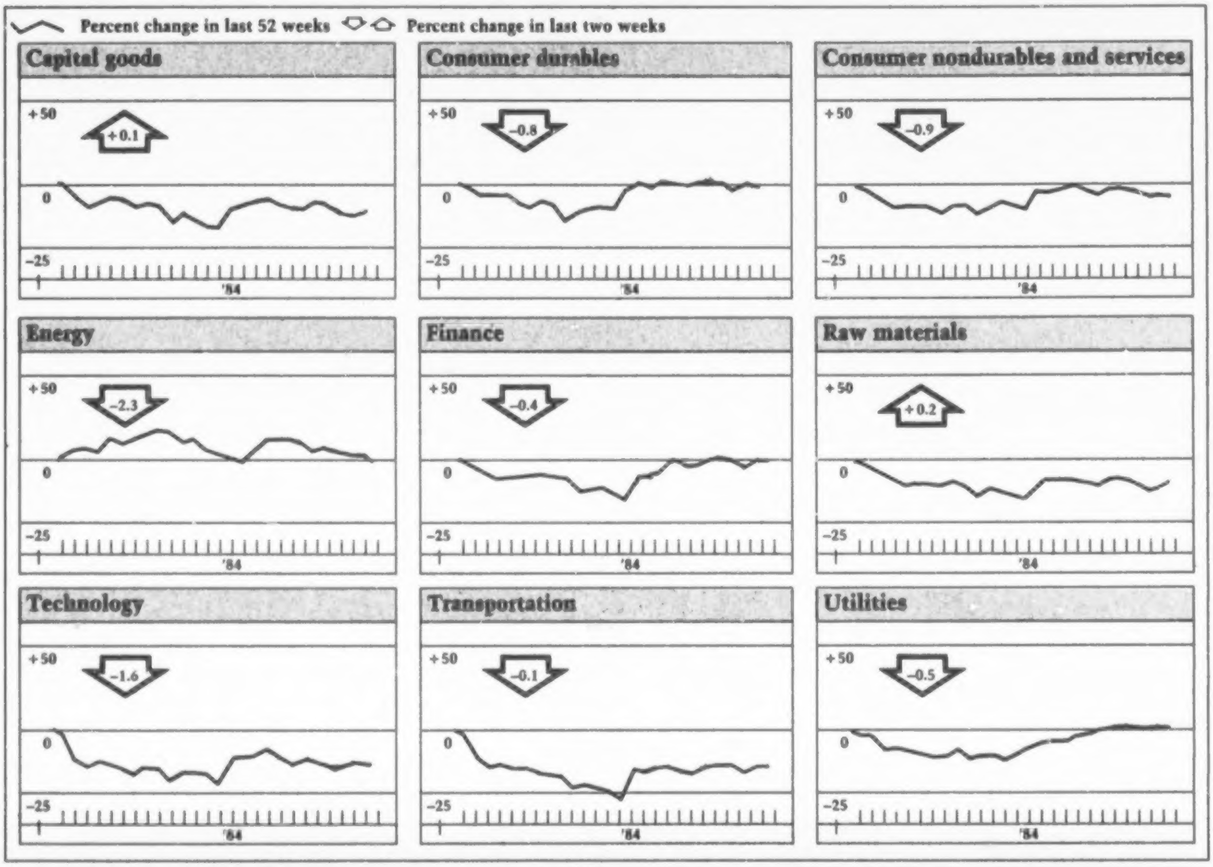
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 1/4/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

The oils suffer another letdown. While T. Boone Pickens made off with millions from his aborted run at Phillips Petroleum, other investors who hoped to ride on his coattails were not so lucky. A more than 10-point slide in Phillips Petroleum during the last two weeks drove the energy sector to a 2.3% decline, the poorest two-week performance of the lot. Not far behind were technology shares, which registered the second-worst record for the last ten trading days, with a 1.6% loss. They also have the worst 52-week record, with a 15.8% loss. For the last two weeks one other group fared as poorly as the Wilshire index—consumer nondurables, which fell 0.9%. Meanwhile, two sectors eked out slight gains: raw materials, up 0.2%, and capital goods and services, up 0.1%.



What The Analysts Think

Last-minute revisions. During the last two weeks, as analysts put the final touches on their 1984 earnings estimates, they made slight upward revisions for two groups—energy and transportation. Wall Street's earnings estimates were virtually unchanged for capital goods but were lowered for the six remaining sectors.

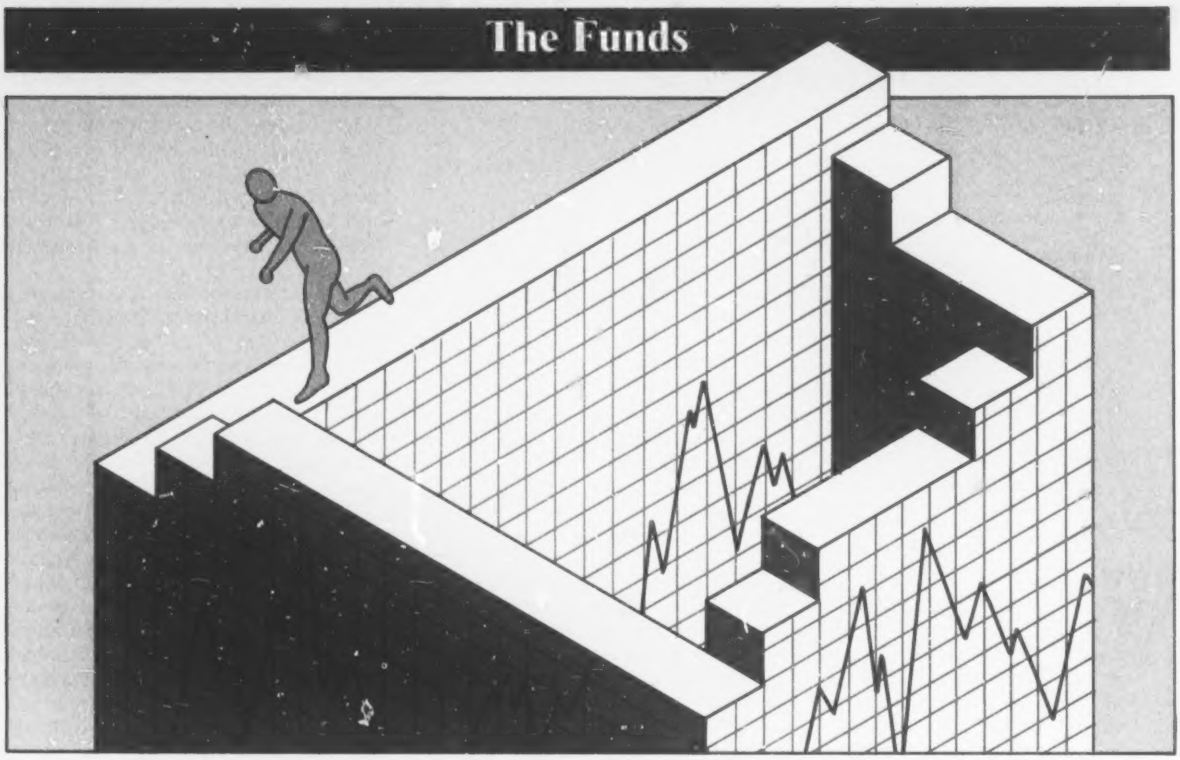
Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.81	9.6
1984 estimates	3.95	9.3
1985 estimates	4.60	8.0

Rank based on change in estimate	Sector	Estimated 1984 EPS	Estimated 1984 P/E	% change in 1984 estimate in 2 weeks	% change in 1984 estimate in 4 weeks
1	Energy	$3.72	7.8	0.39%	–0.23%
2	Transportation	2.60	9.3	0.14	–0.68
3	Capital Goods	2.56	12.2	0.00	–0.75
4	Utilities	3.33	7.4	–0.06	–0.01
5	Consumer nondurables	2.63	11.5	–0.22	–1.01
6	Consumer durables	4.68	8.1	–0.23	–0.40
7	Technology	2.82	11.8	–0.44	–3.92
8	Raw materials	2.27	10.9	–1.16	–3.43
9	Finance	2.80	10.0	–1.55	–2.32

Earnings projections are capital-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 1/4/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.



Did you think the income-oriented funds were boring? Well, in the last half of 1984 they were boring all the way to the bank.

Making money the slow way

By Laura R. Walbert

The SECOND HALF OF 1984 left most fund managers and investors with little to cheer about. While Standard & Poor's 500 was up 11.7% and the broader Wilshire 5000 earned 10.6% for the period (both including reinvested dividends), the typical mutual fund did worse. For the 317 funds listed here—representing the open-end stock and balanced funds rated in FORBES' annual survey—the average gain was 7.8%, and only 123 beat the Wilshire 5000.

The best performers were the income-oriented funds. Vanguard Qualified Dividend Portfolio I topped the charts for the six months with a 29.6% return, and Franklin Custodian Utilities Series was second with 25.2% *(see box opposite).* Notably absent among the leaders were pure capital appreciation and growth funds.

The equity market was tougher and more lackluster than the S&P's 500's 11.7% gain might convey, and it was easy to miss out. Profits came in a quick now-you-see-it-now-you-don't rally during the dog days of early August, when fund managers are more likely to be combing the beach for shells than sifting through research reports for stock picks. Says John Neff, manager of Windsor Fund, a FORBES honor roll member (see Annual Mutual Fund Survey, *Aug. 27, 1984*), "Those three days were the whole thrill, and it kind of pooped out from there."

Likewise, it was a lean year for equity fund salesmen. Net sales of equity funds totaled $8.1 billion, down from 1983's record $13.2 billion. Only $2.7 billion of equity funds were sold after June. But investors rushed to bond and income funds, pushing net sales of all funds excluding money market and other short-term funds to a record $26.1 billion for the year, ahead of 1983's $25.6 billion.

Still, investors who stuck with steady winners from the past could have chalked up some impressive returns. Windsor Fund, with an average annual return of 23.5%

over the last 10 years, jumped 22.4% during the last half of 1984. Neff, who has run the fund for 20 years, attributes his success to shunning glamour issues. He says, "We didn't do too much in that six-month period, which maybe says a lot." Some of Neff's best stocks included the regional Bell operating companies, regional banks and even oils. Two Windsor holdings, Exxon and Royal Dutch/Shell, rose 20.4% and 9.7%, respectively, during 1984.

A fund, of course, can't be judged solely on six months. And not all FORBES honor roll members did particularly well during 1984's last half. The market was rough on small stocks, and Over-The-Counter Securities Fund gained only 4.8%. American Capital's Comstock and Venture funds, both capital appreciation funds, earned only 3.9% and 3.5%, respectively.

At The Guardian Park Ave. Fund, an honor roll member with a 14.8% return for the period, manager Charles Albers got his biggest kick from stocks such as Gibson Greeting Cards, General Dynamics Corp., Rite-Aid Corp. and Mayflower Corp.

Out in Milwaukee, Albert Nicholas, manager of Nicholas Fund, produced a 13.7% return from July through December. Unlike many managers, Nicholas did not take refuge in high-yield securities. "We buy small to medium-size companies with low P/Es, and we didn't get into higher-yielding stocks and bonds," he says. Two of Nicholas' biggest gainers were life insurance companies, Northwestern National Life Insurance Co. and Protective Corp.

Meanwhile, George Vanderheiden produced Fidelity Destiny Fund's 14% second-half return by putting 30% of the fund into money-center banks, utilities and bonds. "My fund probably looked more like an income fund than it normally does," he admits.

Vanderheiden's colleague Peter Lynch, manager of Fidelity Magellan Fund, had a similar strategy. "In the first half of 1984, we had a higher than normal concentration of cyclicals, and it hurt. About midyear we cut that back and put the money into utilities, bonds, and the like," he says. That gave Lynch a 13.4% second-half gain.

These days Lynch is buying small nontechnology issues that were beaten down in the past 18 months. Lynch is calling for the market doldrums to end soon. He says, "I think we have a major rally ahead of us sometime in 1985." Wouldn't that be nice? ■

Half gainers

Income-oriented funds have had bigger gains of late than growth funds. Here are the best ten performers for the last half of 1984 among FORBES-rated, open-end funds.

Fund	Six-month return
Vanguard Qualified Div Port I	29.6%
Franklin Custodian Utilities Series	25.2
Energy & Utility Shares	24.0
Century Shares Trust	23.6
Windsor Fund	22.4
Franklin Custodian Income Series	21.1
Wellesley Income Fund	19.2
IDS Mutual	18.6
United Continental Income Fund	18.5
Eaton Vance High Yield	17.9

Source: CDA Investment Technologies.

Six-month peformance update

This table covers open-end stock funds and balanced funds whose performance histories go back far enough to have been rated in the annual FORBES survey of last August. Closed-end funds are not included.

Fund	Return* 6 mos	Return* 10 yrs (annualized)	Assets 9/30/84 (mil)
● ABT Growth & Income Trust	9.3%	10.9%	$ 133
Acorn Fund	12.1	23.6	203
ADV Fund	10.1	NA	33
● Affiliated Fund	15.8	17.2	2,042
Afuture Fund	-0.1	18.3	28
● Alpha Fund	5.5	15.9	[illegible]
● AMCAP Fund	3.4	24.4	1,014
● American Balanced Fund	14.2	15.5	120
● American Capital Comstock Fund	3.9	26.1	579
● American Capital Enterprise Fund	5.9	18.2	[illegible]
● American Capital Harbor Fund	6.5	17.1	173
● American Capital Pace Fund	8.0	27.9	1,225
● American Capital Venture Fund	3.5	29.0	403
● American Growth Fund	0.5	19.0	60
American Investors Fund	-5.9	9.2	90

Fund	Return* 6 mos	Return* 10 yrs (annualized)	Assets 9/30/84 (mil)
● American Leaders Fund	15.9%	NA	$ 51
● American Mutual Fund	13.1	19.3%	1,033
● American National Growth Fund	3.6	19.4	88
● American National Income Fund	3.6	NA	45
Armstrong Associates	2.9	NA	10
● Axe-Houghton Fund B	15.6	12.5	140
● Axe-Houghton Stock Fund	6.7	[illegible]	[illegible]
Babson Growth Fund	9.6	[illegible]	[illegible]
Beacon Hill Mutual Fund	[illegible]	[illegible]	2
BLC Growth Fund	5.5	15.4	17
● BLC Income Fund	11.9	18.1	25
Boston Co Capital Apprec Fund	14.4	13.5	248
● Boston Foundation Fund	15.3	14.6	29
Boston Mutual Fund	10.4	NA	5
Bull & Bear Capital Growth Fund	6.3	18.2	72

*Total return, including reinvested dividends, through 12/31/84. ● load. NA: Not available.

Source: CDA Investment Technologies.

The Funds

Fund	—Return*—		Assets
	6 mos	10 yrs (annualized)	9/30/84 (mil)
Bull & Bear Equity-Income Fund	11.8%	14.7%	$ 5
• Bullock Fund	9.9	14.6	138
• Canadian Fund	10.9	9.9	23
• The Cardinal Fund	8.1	NA	21
Century Shares Trust	23.6	15.0	73
Charter Fund	7.1	20.7	74
• Chemical Fund	4.4	10.3	938
• CIGNA Growth Fund	7.3	14.4	184
• CIGNA Income Fund	12.0	10.1	195
• The Colonial Fund	12.4	12.5	89
• Colonial Growth Shares	8.5	13.1	65
• Colonial Option Income Trust	9.3	NA	1,481
Columbia Growth Fund	10.1	20.3	165
• Commerce Income Shares	15.0	12.7	50
• Commonwealth Fund Plans A&B	11.1	13.9	9
• Commonwealth Fund Plan C	10.4	12.6	35
Composite Bond & Stock Fund	12.4	13.1	25
Composite Fund	0.5	12.5	38
The Constellation Growth Fund	4.2	20.1	125
• Corp Leaders Tr Fund Cert Ser B	7.2	NA	49
• Country Capital Growth Fund	12.0	12.2	56
de Vegh Mutual Fund	6.4	11.9	52
• Decatur Income Fund	12.7	18.1	640
• Delaware Fund	15.6	18.1	297
• Delta Trend Fund	0.4	18.3	80
• Dividend Shares	12.3	13.7	270
Dodge & Cox Balanced Fund	11.1	13.2	19
Dodge & Cox Stock Fund	10.7	16.2	27
• The Drexel Burnham Fund	10.4	14.6	72
• The Dreyfus Fund	11.7	16.4	1,862
Dreyfus Growth Opportunity Fund	–1.8	18.6	417
• The Dreyfus Leverage Fund	14.8	17.4	398
The Dreyfus Special Income Fund	10.0	12.3	92
The Dreyfus Third Century Fund	11.5	19.8	133
• Eagle Growth Shares	7.3	NA	5
• Eaton & Howard Balanced Fund	13.0	11.0	57
• Eaton & Howard Stock Fund	14.8	11.7	67
• Eaton Vance Growth Fund	10.9	15.8	65
• Eaton Vance High Yield	17.9	10.4	22
• Eaton Vance Income Fund of Boston	17.4	NA	36
• Eaton Vance Investors Fund	14.4	15.1	147
• Eaton Vance Special Equities	6.8	17.9	47
Energy & Utility Shares	24.0	NA	9
Energy Fund	6.1	16.7	338
The Evergreen Fund	9.1	30.3	239
Explorer Fund	–4.8	20.4	276
• Fairfield Fund	2.1	15.5	50
Farm Bureau Growth Fund	6.2	NA	44

Fund	—Return*—		Assets
	6 mos	10 yrs (annualized)	9/30/84 (mil)
Fidelity Contrafund	9.5%	14.9%	$ 81
• Fidelity Destiny Fund	14.0	26.4	597
• Fidelity Equity-Income Fund	16.8	24.4	1,064
Fidelity Fund	12.4	15.9	615
• Fidelity Magellan Fund	13.4	34.1	1,892
Fidelity Puritan Fund	15.8	17.4	841
Fidelity Trend Fund	9.5	13.9	625
Financial Dynamics Fund	0.7	17.0	73
Financial Industrial Fund	12.1	17.2	329
Financial Industrial Income Fund	15.1	18.4	202
• First Investors Discovery Fund	–16.8	16.1	44
• First Investors Fund for Growth	–11.1	12.2	79
• First Investors Natural Resources Fund	–31.7	2.7	11
• First Investors Option Fund	0.8	NA	134
The 44 Wall Street Fund	–30.8	19.2	107
Founders Growth Fund	5.5	14.4	43
Founders Income Fund	11.1	14.5	7
Founders Mutual Fund	11.1	12.3	138
Founders Special Fund	4.1	14.3	119
• FPA Capital Fund	7.0	9.6	38
• FPA Paramount Fund	13.5	21.2	119
• Franklin Custodian Dynatech Series	0.5	18.3	47
• Franklin Custodian Growth Series	10.4	12.1	20
• Franklin Custodian Income Series	21.1	17.6	74
• Franklin Custodian Utilities Series	25.2	16.7	29
• Franklin Equity	12.1	14.0	66
• Franklin Gold Fund	–26.2	12.6	130
• Franklin Option Fund	6.2	16.1	7
• Fund of America	3.7	17.5	148
• Fund of the Southwest	3.1	NA	8
• Fundamental Investors	16.5	15.2	378
Gateway Option Income Fund	8.4	NA	24
General Securities	9.3	17.6	12
• The Greenway Fund	–5.3	NA	4
• Growth Fund of America	5.5	22.3	484
Growth Industry Shares	2.8	17.1	82
GT Pacific Fund	8.4	NA	42
Guardian Mutual Fund	15.6	19.9	353
• The Guardian Park Ave Fund	14.8	NA	57
• Hamilton Funds	8.8	11.3	196
• John Hancock Growth Fund	6.4	13.2	54
Hartwell Growth Fund	–5.1	19.8	11
Hartwell Leverage Fund	–4.6	19.5	40
• IDS Growth Fund	–4.5	20.4	631
• IDS Mutual	18.6	13.3	1,044
• IDS New Dimensions Fund	3.8	18.0	352
• IDS Progressive Fund	1.6	16.1	161
• IDS Stock Fund	10.0	13.4	1,360

*Total return, including reinvested dividends, through 12/31/84. • load. NA: Not available. *Source: CDA Investment Technologies.*

The Funds

Fund	Return* 6 mos	Return* 10 yrs (annualized)	Assets 9/30/84 (mil)
• IDS Variable Payment Fund	5.7%	12.9%	$330
• Income Fund of America	17.5	16.5	289
• International Investors	–24.0	14.0	867
• The Investment Co of America	13.0	17.3	2,361
• Investment Trust of Boston	9.6	12.3	55
• Investors Research Fund	4.4	17.5	40
• ISI Growth Fund	5.9	[illegible]	14
• ISI Income Fund	15.8	9.8	7
• ISI Trust Fund	7.8	8.3	206
Istel Fund	3.6	10.7	97
Ivest Fund	4.7	15.2	178
Ivy Growth Fund	14.1	18.0	62
Janus Fund	6.2	19.4	318
• JP Growth Fund	11.4	16.8	18
• Kemper Growth Fund	2.6	19.5	236
• Kemper Option Income Fund	6.7	NA	526
• Kemper Summit Fund	3.1	23.4	193
• Kemper Total Return Fund	5.8	18.9	272
Keystone Custodian Funds K-1	8.5	13.2	67
Keystone Custodian Funds K-2	8.8	11.9	180
Keystone Custodian Funds S-1	3.3	8.7	69
Keystone Custodian Funds S-3	4.9	16.4	180
Keystone Custodian Funds S-4	–0.1	17.9	566
Keystone International Fund	2.6	10.6	28
Keystone Precious Metals	–28.4	NA	51
Lehman Capital Fund	4.0	NA	108
Lehman Investors Fund	8.2	15.1	354
Lexington Growth Fund	9.5	17.4	26
Lexington Research Fund	10.3	[illegible]	108
Lindner Fund	9.5	NA	349
Loomis-Sayles Capital Development	6.7	20.5	129
Loomis-Sayles Mutual Fund	15.8	12.2	87
• Lord Abbett Develop Growth	–3.0	NA	324
• Lord Abbett Income Fund	14.5	13.7	50
• Magna Income Trust	15.1	12.8	9
• MagnaCap Fund	15.7	16.5	12
Mairs & Power Growth Fund	8.2	NA	18
Manhattan Fund	12.7	14.4	77
Horace Mann Growth Fund	8.3	12.8	57
• Mass Capital Development Fund	3.9	22.8	646
• Mass Financial Development Fund	9.0	17.0	194
• Mass Income Development Fund	14.1	14.5	194
• Mass Investors Growth Stock Fund	6.3	13.1	855
• Mass Investors Trust	11.3	18.5	1,060
Mathers Fund	9.2	22.1	194
• Merrill Lynch Basic Value Fund	12.5	NA	288
• Merrill Lynch Capital Fund	16.0	NA	252
• Merrill Lynch [illegible] Fund	[illegible]	NA	[illegible]

Fund	Return* 6 mos	Return* 10 yrs (annualized)	Assets 9/30/84 (mil)
• Merrill Lynch Pacific Fund	11.9%	NA	$100
• MidAmerica High Growth Fund	4.3	NA	13
• MidAmerica Mutual Fund	14.8	15.5%	29
WL Morgan Growth Fund	6.4	17.9	443
• Mutual Benefit Fund	8.8	NA	10
• Mutual of Omaha Growth Fund	5.1	8.9	19
• Mutual of Omaha Income Fund	13.9	11.3	49
Mutual Shares	8.3	24.8	427
Naess & Thomas Special Fund	–8.1	NA	37
• National Aviation & Technology	11.0	NA	79
• National Growth Fund	2.5	10.2	72
• National Income Fund	12.6	17.1	56
National Industries Fund	10.9	12.9	29
• National Stock Fund	13.9	15.9	215
• National Total Return Fund	12.7	18.6	142
• Nationwide Fund	10.7	12.8	227
• Nationwide Growth Fund	10.9	17.6	62
• Nation-Wide Securities	17.1	13.0	35
• NEL Equity Fund	13.6	15.8	18
• NEL Growth Fund	7.1	20.9	177
• NEL Retirement Equity Fund	9.0	15.1	65
Neuwirth Fund	8.5	13.0	20
• New Perspective Fund	7.7	17.7	610
• New York Venture Fund	12.2	19.5	97
Newton Growth Fund	1.8	14.8	33
Newton Income Fund	9.8	10.2	7
Nicholas Fund	13.7	25.5	200
Nicholas Income Fund	14.0	9.9	16
North Star Stock Fund	12.7	NA	51
• Old Dominion Investors' Trust	8.6	NA	6
Omega Fund	13.5	13.6	24
The One Hundred Fund	–4.6	9.6	10
• Oppenheimer AIM Fund	–8.7	15.6	247
• Oppenheimer Equity Income Fund	13.2	20.6	78
• Oppenheimer Fund	5.0	10.9	251
• Oppenheimer Premium Income Fund	2.6	NA	153
• Oppenheimer Special Fund	6.3	NA	740
• Oppenheimer Time Fund	4.9	23.6	133
• Over-The-Counter Securities Fund	4.8	23.4	84
Partners Fund	13.0	20.3	361
Penn Square Mutual Fund	8.8	16.8	172
Pennsylvania Mutual Fund	8.0	31.6	208
• Philadelphia Fund	5.2	17.0	105
• Phoenix Convertible Fund Series	9.3	NA	62
• Pilgrim Fund	12.0	17.4	36
• Pilot Fund	5.5	14.6	66
Pine Street Fund	14.0	14.0	43
• Pioneer Fund	[illegible]	[illegible]	[illegible]

*Total return, including reinvested dividends, through 12/31/84. • load. NA: Not available.

Source: CDA Investment Technologies

The Funds

Fund	Return* 6 mos	Return* 10 yrs (annualized)	Assets 9/30/84 (mil)
● Pioneer II	9.0%	25.6%	$1,374
Pilgrim Fund	9.0	21.6	61
T Rowe Price Growth Stock Fund	10.9	10.0	960
T Rowe Price New Era Fund	8.1	15.9	480
T Rowe Price New Horizons Fund	0.6	18.8	1,374
PRO Fund	11.8	22.2	30
● Provident Fund for Income	7.5	15.6	104
● Putnam Convertible Fund	11.1	NA	52
● The George Putnam Fund Boston	13.2	13.3	274
● The Putnam Growth Fund	11.6	[illegible]	770
● The Putnam Income Fund	17.7	10.8	146
● Putnam International Equities	6.1	15.7	47
● Putnam Investors Fund	9.9	14.2	1,007
● Putnam Option Income Trust	11.1	NA	620
● Putnam Vista Fund	10.9	18.6	153
● Putnam Voyager Fund	8.6	19.4	221
Quasar Associates	4.4	NA	49
SAFECO Equity Fund	10.9	17.5	32
SAFECO Growth Fund	7.6	23.7	64
SAFECO Income Fund	13.8	NA	20
● St Paul Capital Fund	7.9	17.4	66
● St Paul Growth Fund	3.3	21.9	84
Scudder Capital Growth Fund	6.7	NA	236
Scudder Development Fund	0.1	24.7	221
Scudder Growth & Income	10.2	14.3	232
Scudder Income Fund	16.0	10.4	113
Scudder International Fund	1.8	12.2	172
● Security Equity Fund	10.2	17.1	228
● Security Investment Fund	1.7	15.8	107
● Security Ultra Fund	7.8	24.5	100
Selected American Shares	13.0	13.7	82
Selected Special Shares	5.6	10.4	33
● Seligman Capital Fund	5.0	22.7	155
● Seligman Common Stock Fund	14.9	16.7	399
● Seligman Growth Fund	6.6	13.2	596
● Seligman Income Fund	17.7	14.5	77
● Sentinel Balanced Fund	17.5	13.5	14
● Sentinel Common Stock Fund	15.1	16.8	337
● Sentinel Growth Fund	10.0	14.6	38
● Sentry Fund	11.7	14.5	30
Sequoia Fund	12.6	28.6	417
● The Shearson Appreciation Fund	9.6	17.9	115
Sherman, Dean Fund	–24.6	9.4	4
Sierra Growth Fund	–6.8	NA	6
● Sigma Capital Shares	10.3	22.1	41
● Sigma Investment Shares	13.9	16.0	56
● Sigma Special Fund	5.2	17.2	16
● Sigma Trust Shares	14.8	14.0	26
● Sigma Venture Shares	3.0%	26.2%	$57
Smith, Barney Equity Fund	5.3	14.8	58
● Smith, Barney Income & Growth	13.6	19.0	10
● SoGen International Fund	5.2	16.9	42
Southwestern Investors Income	13.5	10.6	9
● Sovereign Investors	14.8	16.3	15
● State Bond Common Stock Fund	8.9	10.5	29
● State Bond Diversified Fund	11.4	13.5	10
● State Bond Progress Fund	0.6	12.7	7
● State Street Investment Corp	7.2	15.3	459
Steadman American Industry Fund	–9.5	4.2	9
Steadman Investment Fund	3.2	6.7	10
Steadman Oceanographic Fund	–2.5	5.4	7
Stein Roe & Farnham Cap Opportunity	–4.2	18.5	233
Stein Roe & Farnham Stock Fund	6.4	13.4	222
SteinRoe Total Return Fund	12.5	11.0	92
Stratton Growth Fund	7.1	17.0	13
● Surveyor Fund	0.9	13.3	89
● Technology Fund	6.0	17.0	621
● Templeton Growth Fund	8.5	21.5	951
● Templeton World Fund	10.2	NA	1,270
Tudor Fund	6.9	21.6	90
Transatlantic Fund	–0.8	NA	30
20th Century Growth Investors	6.1	29.4	678
20th Century Select Investors	8.7	29.2	838
Unified Mutual Shares	14.8	14.2	9
● United Accumulative Fund	13.0	16.2	490
● United Continental Income Fund	18.5	15.3	50
● United Income Fund	15.7	14.3	514
● United International Growth Fund	5.2	15.7	100
● United Science & Energy Fund	3.2	13.5	161
United Services Gold Shares	–32.0	9.5	409
● United Vanguard Fund	5.1	21.9	347
The Value Line Fund	4.1	19.2	174
The Value Line Income Fund	14.0	19.1	117
Value Line Leveraged Growth Investors	9.2	27.0	196
The Value Line Special Situations	–5.3	21.9	287
● Vance, Sanders Special Fund	–1.2	21.0	122
Vanguard Index Trust	11.5	NA	264
Vanguard Qualified Div Port I	29.6	NA	77
Variable Stock Fund	8.0	NA	7
● The Wall Street Fund	7.9	11.1	6
● Washington Mutual Investors Fund	15.0	18.5	582
Weingarten Equity Fund	6.7	23.2	132
Wellesley Income Fund	19.2	13.2	108
Wellington Fund	15.7	14.3	808
Windsor Fund	22.4	23.5	2,288

*Total return, including reinvested dividends, through 12/31/84. ● load. NA: Not available. *Source: CDA Investment Technologies.*

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Forbes

NUCLEAR FOLLIES

The failure of the U.S. nuclear power program ranks as the largest managerial disaster in business history, a disaster on a monumental scale. The utility industry has already invested $125 billion in nuclear power, with an additional $140 billion to come before the decade is out, and only the blind, or the biased, can now think that most of the money has been well spent. It is a defeat for the U.S. consumer and for the competitiveness of U.S. industry, for the utilities that undertook the program and for the private enterprise system that made it possible. Without even recognizing the risks, the U.S. electric power industry undertook a commitment bigger than the space program ($100 bil ar ($111 billion) . . .

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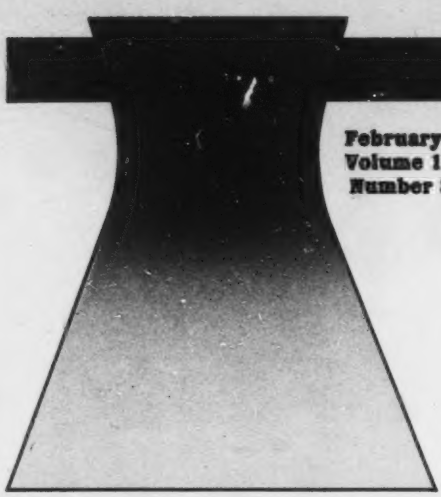

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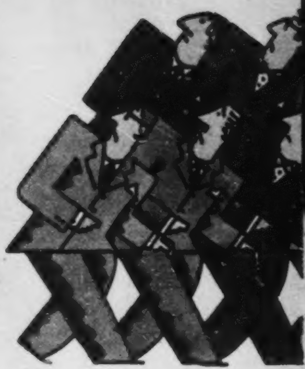

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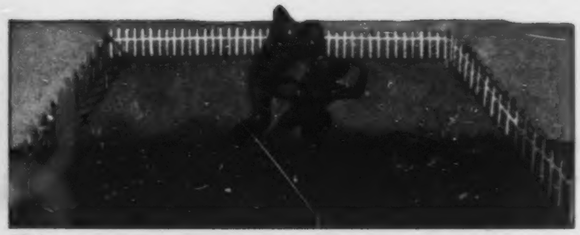

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February 11, 1985 Volume 135 Number 3 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1985 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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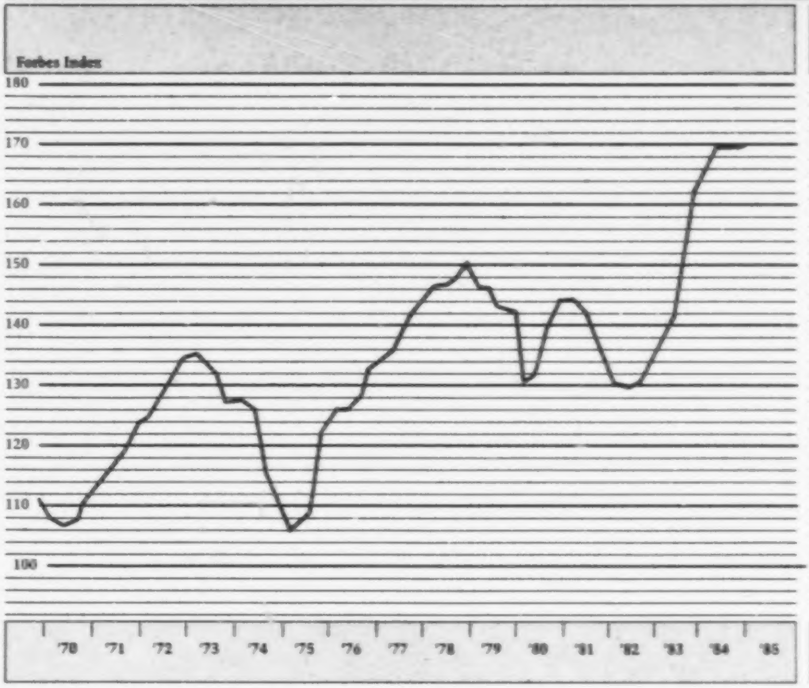
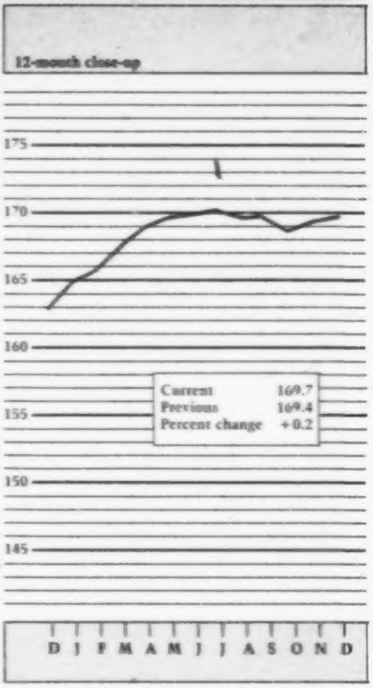
Cover design: Ronda Kass

The Forbes Index



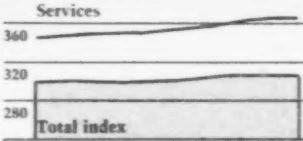


Cracks in the ice. With a 0.2% rise in the latest reporting period, the Forbes Index once again signaled that the cool-down in the economy may be moderating. Industrial production managed a 0.6% increase over the previous month. Consumer installment credit rose 1.8% over the previous month. The credit figure, however, now stands some 20.6% higher than it did one year previously, while the latest figures on personal income show a 1% month-to-month rise and only a 7.9% increase over the level of 12 months earlier. After tightening their belts during the last recession, consumers are once again willing to take on more debt. However, consumers' indebtedness cannot continue to rise faster than their incomes indefinitely, so the upward trek of the Forbes Index could soon end.

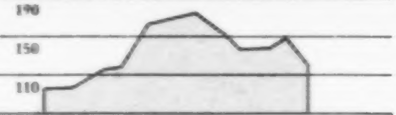
The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

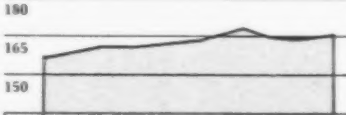
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



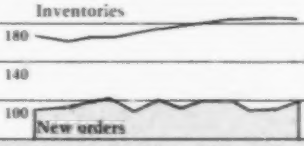
Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)



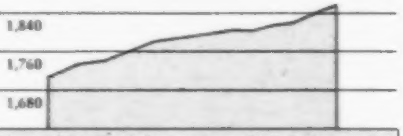
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



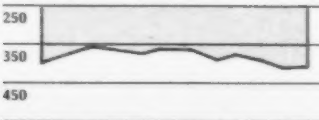
Industrial production index (1967 = 100) Seasonally adjusted (Federal Reserve)



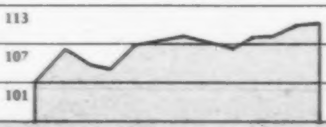
Manufacturers new orders and inventories ($billions) seasonally (Dept. of Commerce)



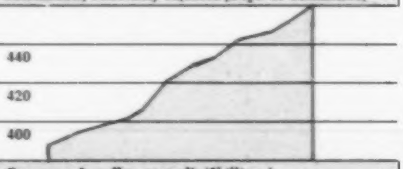
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Nuclear Follies

By James Cook

continued from cover

. . . and, in little more than a decade, transformed what elsewhere in the world is a low-cost, reliable, environmentally impeccable form of energy into a power source that is not only high in cost and unreliable, but perhaps not even safe.

The scale of the U.S. nuclear power program's collapse is appalling: 75 plants canceled since 1978, including 28 already under construction, with another half-dozen or so cancelations in prospect. Even in its death throes, the U.S. nuclear program looks ambitious: 16 new stations put into commercial operation since 1979, another 3 this past year, and 40 more units by the end of the decade. By that time nuclear power will account for something like 20% of the U.S.' total generating capacity, up from 14% today. Altogether, these stations will be producing 129,725 megawatts, more than the nuclear capacity of France, West Germany, Japan and the Soviet Union put together. But that's it. Once these plants are completed, the U.S. nuclear power program is at an end.

Elsewhere in the world, some 148 nuclear power plants are under construction, 9 more are on order and 157 are in the planning stage. By 1990 the Japanese should be getting close to 20% of their electricity production from nuclear power, the Taiwanese 30%, the Belgians 40%, the French 55%. That's low-cost energy, all of it, and, according to one study, 30% to 50% lower in cost than coal. The newest French nuclear plant, at Cruas in the south of the country, produces power for under 4 cents a kilowatt-hour, and that's cheap by almost any standard.

In the U.S., however, nuclear power makes less and less economic sense. Production costs of existing coal and nuclear plants run neck and neck, but as the new nuclear plants go into service, coal should gain ground decisively. In upstate New York, New York State Electric & Gas' newest coal-fired station at Somerset began producing power last August at a cost of 7.5 cents per kwh. A hundred miles away, Niagara Mohawk's $5.1 billion Nine Mile Point nuclear plant will produce power two years from now for 18 cents per kwh.

At such levels, nuclear power can't compete with oil, much less with coal. That's why, for the U.S., nuclear power is dead—dead in the near term as a hedge against rising oil prices and dead in the long run as a source of future energy. Nobody really disputes that. Not the Nuclear Regulatory Commission (NRC) or the Office of Technology Assessment. Not even the Atomic Industrial Forum (AIF), the trade organization that represents the nuclear power industry. And certainly not the 200 or so executives who head the U.S.' investor-owned electric companies. Nuclear power is an option nobody in his right mind would now seriously consider. "The costs and risks of nuclear development," an Edison Electric Institute study concluded last month, "have become unacceptably high."

What destroyed the nuclear option in the U.S.? How could U.S. nuclear power costs run so outrageously out of control? And why didn't the NRC or the state regulators, never mind the utility managements, do something about them? Most important of all, why did the U.S. fail where the French, Germans and Japanese succeeded? The answers to such questions are important, and they suggest a good deal about where the U.S. is going to go—or perhaps ought to go—in the future. Without an understanding of what caused the nuclear debacle, the U.S. will lack any clear sense of what it must do not only to restore nuclear energy as a viable energy option but also to assure that history does not repeat itself.

1

The incredible price

It wasn't technology that doomed nuclear power in the U.S. As experience everywhere demonstrates, the technology is as sound and productive as its promoters always have claimed it would be.

Nor was it the dedicated and imaginative obstructionist tactics of the antinuclear forces, effective though they were. The opponents of nuclear power have hampered and harassed it, inflated its costs and stretched out construction times to unconscionable lengths, but they could not, unassisted by events, have prevailed.

The truth is that nuclear power was killed, not by its enemies, but by its friends:

- The federal government and the Nuclear Regulatory Commission, which not only botched the day-to-day management of the program but also failed to consider the economic cost of the regulations it imposed.
- The equipment manufacturers, who maintained that nuclear power was just another way of boiling water.
- The contractors and subcontractors, the designers, engineers and construction managers who, insulated by their own cost-plus contracts, had little incentive to question the cost-effectiveness of the NRC's dictates.
- The utility executives, who believed that no matter what happened to cost and construction schedules, the rate commissions would somehow provide the revenues to bail them out.
- And the state regulatory commissions themselves, whose grossly inadequate oversight of the schemes, ambitions and monstrous expenditures for nuclear projects made it easier for all of the above to betray consumers and investors alike.

These collective failures are reflected in the accompanying table *(see p. 85)*. It lists 35 nuclear power projects that had not yet gone into commercial operation at the beginning of 1984. These new plants cost six to eight times more than originally projected, three to four times more on average than nuclear plants already operating. As a result, more than half the plants on the list are no longer competitive with coal nor, some of them, even with oil.

These plants, some conceived as early as the late Sixties, were subjected to all the problems that afflicted the industry over the past decade. All suffered the delays and cost overruns that doubled the average construction time from 6 to 12 years. Yet for all their common technical, social and political environment, the costs of these plants differ widely, ranging from a commendable $932 a kilowatt for Duke Power's McGuire 2 station to a grotesque $5,192 a kilowatt for Long Island Lighting's Shoreham plant.

The pressures of regulation and antinuclear interveners created more problems for some plants than for others, but they are not enough to explain so wide a range of differences. Labor costs are not appreciably lower in Chicago than they are in New York. Opposition to nuclear power is no more intense on Long Island than it is in northern California.

The disparities in cost are so great as to make a prima facie case for mismanagement in the first degree. At least a dozen projects still going forward—more than one in four—are problem plants by any measure, suffering from quality, construction and design problems as well as cost overruns.

The mismanagement extends beyond design and construction to financial management. At least half a dozen utilities have abandoned plants already well on their way to completion—Marble Hill and Midland among them—because they simply did not have the financial resources to complete them. Other projects still alive—Shoreham, Seabrook and second units everywhere—are similarly imperiled. The financial pressures have been so extreme that at least six major utilities—including Lilco, Public Service of New Hampshire, Consumers Power in Michigan, Public Service of Indiana—are in serious danger of going into bankruptcy.

The truth is that nuclear power was killed, not by its enemies, but by its friends.

But for legal reasons—never mind pride—managements can admit no wrong. Any admission of mismanagement is tantamount to an admission of "imprudence," and some state regulatory commissions, growing increasingly worried about the effect these plants will have on the cost of electricity, have begun disallowing at least part of their costs on just such ground. The staff of the New York State Public Service Commission has proposed disallowing close to $1.5 billion in Lilco's nuclear expenditures as imprudent. Such a sum, Lilco Chairman William Catacosinos readily concedes, would be enough to bankrupt the company.

Bankruptcy would not put the companies out of business. They are certain to survive as operating, if not corporate, entities. But a price will have to be paid—indeed, already is being paid—in the form of higher rates.

The failure of the U.S. nuclear power program is changing the economic geography of the U.S., encouraging business to exchange high-cost power for low, weakening areas in the East, the Midwest and the Northwest, strengthening the already resurgent South. Lukens, Inc. in Coatesville, Pa. already has tried (unsuccessfully, thus far) to escape Philadelphia Electric and its high-cost Limerick power in favor of Pennsylvania Power & Light, just as U.S. Steel's Gary Works tried unsuccessfully to shift from Illinois Power to Commonwealth Edison. To avoid the large rate increases in prospect with the completion of Middle South Utilities' Grand Gulf nuclear plant, the governor of Arkansas, anxious to keep his state competitive, has threatened to take Arkansas Power & Light out of the Middle South system altogether.

What is so heartbreaking is that if things had been different—if the times were not what they were, if the regulators had been more responsible, if the utility managements and nuclear contractors had been more competent, and, of course, if the antinuclear obstructionists had not been so imaginative and successful—none of it need have happened. But it did. And the U.S. will pay the price for decades to come.

2

The setup

The electric utilities burst into the nuclear age with an enormous and far from unjustified confidence in their own technical abilities and those of the experts they committed their fortunes to, an unshakable optimism about their growth prospects and a conviction that they and the commissions that regulated them had a community of interest. They would soon learn otherwise.

The first commercial reactors in the U.S. were turnkey plants, built at fixed prices and turned over, ready to go, to their owners. In the Fifties and Sixties, General Electric and Westinghouse built 21 of them. The first plants cost more than their sponsors intended—as much as $800 million, according to one estimate—but they did their job well enough to persuade the utilities that nuclear power would be cost-effective. Nuclear power was not an unmixed blessing. It involved capital costs higher than for oil or coal, but its fuel costs were low, so low that promoters claimed it could practically be given away.

The electric utilities burst into the nuclear age with an enormous confidence in their own technical abilities.

Impelled by evangelism, optimism and seemingly irresistible economics, the nuclear bandwagon began to roll, and in the late Sixties and again in the early Seventies the orders began flooding in. But the suppliers had learned their lesson. The new generation of plants would be built under reimbursable-cost-plus-fixed-fee contracts. Without that, the nuclear power program would probably have sputtered out in the mid-Seventies, when costs lurched out of control.

At the time, these new plants seemed priced reasonably enough, costing maybe $200 million to $300 million apiece, a sizable but hardly insupportable commitment for a utility to take on. And the technology seemed not all that exotic. As reactor manufacturers explained it, a power plant was a power plant, and nuclear fission was just another way of heating water.

Well, even in the late Sixties it should have been clear that heating water with nuclear fuel was infinitely more complex and sophisticated than doing it with coal, and complexity meant cost. Perhaps the clearest signal was that coal remained competitive, so competitive that, as the nuclear program gathered momentum, most of the new plants had to be scaled up—to maybe 1.2 million kilowatts—to retain their cost advantage. In scaling up, however, the utilities were moving into unexplored territory. Nobody knew what the design problems were or, worse, what they were going to become. Says J. Christopher Young, senior vice president of Donaldson, Lufkin & Jenrette, "The assumption was you had a mature technology when in fact it was still evolving."

The new nuclear plants, according to Atomic Industrial Forum estimates, embody 50% to 85% more design work, more hours of craft labor and more materials than the earlier generation of nuclear plants—5 million to 6 million feet of cable, 30,000 pipe hangers, 300,000 cubic feet of concrete, millions of parts altogether. "In a big coal plant," says Duke Power Executive Vice President Warren H. Owen, "you would have no more than 200 critical pipe hangers. In a nuclear plant, you need 30,000. In a coal plant, you used a half-hour of engineering time and 2 hours perhaps to put those hangers up. In a nuclear plant, you spend 15 hours on the hanger design, 75 to 150 hours to put them up. So you've got more than 100 hours per hanger and 30,000 to put up."

The industry, however, had little doubt about its ability to meet any challenge presented to it. As the Sixties ended, after all, electric utilities had closed out the most prosperous decade in their 100-year history. Year after year, the scale economics of power production enabled them to reduce the costs of producing power, and those economies were so accessible that even mediocre managements could partially achieve them.

Thanks to their declining costs, the utilities came to be thought of as a growth business, showing a return on equity, despite regulation, pretty much in line with the rest of U.S. industry. And with consumers getting the benefit of steadily declining power costs, most utilities succeeded in establishing a long-term community of interest with the politically sensitive state commissions that regulated them. Until the late Sixties at least, the commissions had little to do other than step in from time to time and order a rate reduction when returns got unconscionably high.

As these cost reductions began to tail off and reverse themselves in the late Sixties, the utilities and the commissions were able to work out a series of accounting accommodations—deferred-tax and flow-through accounting, for example—that enabled the utilities to keep their rates low (taking the political heat off the commissions) and their reported earnings high (protecting the utilities in the stock market). Later on, in the early Seventies, when energy costs first began rising rapidly, the commissions turned more and more to fuel adjustment clauses to enable higher fuel costs to be quickly passed along in higher rates. Later still, when rising construction costs began posing financial problems, a number of commissions even permitted the utilities to include a portion of their construction work in progress—CWIP, as it became known—in the rate base, on which they could earn a cash return. Consumerist pressures to hold rates down were rising, but the community of interest between the utilities and the commissions endured.

This genial climate was to play a considerable part in the miscalculations that followed. Thus, when demand slackened in the middle Seventies and the utilities' financial problems threatened to become acute, many companies did not hesitate to stretch out their nuclear programs. "They had every confidence that the old system would work," AIF President Carl Walske says, "and that

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when the plant was finished, and it was time to get it in the rate base, the regulators would put it into the rate base."

The utilities, after all, were a cost-recovery industry, whose executives did not think about cost the way executives in other industries did. When accused of committing $50 million of stockholders' money to a nuclear project the government was prepared to finance, the chairman of Consolidated Edison once shrugged and said, "Hell, it's only $50 million." And what was $50 million to a $3 billion company? But shrug often enough, and the cost begins to add up.

But why worry even then? Few utility managers thought demand growth would stay low. Electrical demand had been growing at 7% a year for over 40 years, and despite some fits and starts in the early Seventies, there was no reason to think that anything fundamental had changed. The energy crisis, in fact, made nuclear power more vital than ever. The Nixon Administration's 1974 Project Independence counted on nuclear power to provide 40% of U.S. electricity by 1990, 50% by 2000. "You were dealing with a mind-set that had no idea of what was down the road," says Salomon Brothers analyst Neal Kurzner. "If you said, 'Maybe you're a bit off,' they didn't care. They went ahead with their construction program."

Utility executives did not think about cost the way executives in other industries did.

In a program geared to a 7% annual growth pattern, however, the mathematics of miscalculating the market was awesome. At 7% annual growth, you needed to double your capacity every 10 years. At 3%, every 24 years. At 1%, every 70 years. After the second runup in oil prices, in 1978, utility executives had to accept the fact that something basic might be happening to demand, that all the nuclear capacity they were planning might not be needed until a decade or more later than they thought. The Tennessee Valley Authority canceled 8 out of 17 nuclear projects, Public Service Electric & Gas 5 out of 8, Duke Power 6 out of 13, Detroit Edison 3 out of 4. The cancelations continue.

Of all the woes that descended on the U.S. nuclear industry beginning in 1978—high inflation, high interest rates, slackening demand—none was to prove more traumatic than the accident at Three Mile Island on Mar. 28, 1979. On that day, a stuck valve and inadequately trained operating personnel caused the nuclear reactor to overheat dangerously. Though the reactor core was damaged, no one was hurt or even seriously endangered, but the accident demonstrated the fallibility of the utilities, the NRC and the manufacturers, and produced a public relations disaster from which nuclear power has not yet recovered.

Something rotten in Suffolk?

If it ever gets into operation, Long Island Lighting Co.'s $4.2 billion Shoreham nuclear power station will probably produce the highest-cost commercial nuclear power in the world—21 cents per kwh. The staff of the New York Public Service Commission regards Shoreham as the nuclear power industry's ultimate horror story. But William Catacosinos, Lilco's new chairman, says that if anything did go wrong—and he doesn't concede that—there was nothing that Lilco could have done about it.

The Shoreham plant made considerable economic sense. Long Island is the only geographic enclave in the U.S. totally dependent on foreign oil for generating electricity. In the late 1960s—commendable foresight!—Lilco set out to break that dependence with a 540,000-kw nuclear station at Shoreham in Suffolk County, later enlarged to 809,000 kw to improve its economics.

By the time Lilco got its construction permit—after year-long NRC hearings that Lilco describes as "the most contested hearings in the history of nuclear power"—the plant was already three years behind schedule. Lilco blames that delay for most of the problems that followed. But the argument doesn't really jell. Even Lilco has conceded that, because of safety-related modifications to its reactor containment structure, it wouldn't have been able to get the plant into operation before 1982.

At a milestone meeting at Hyannis, Mass. in November 1973, Lilco and Stone & Webster, the outside firm that served as architect/engineer and construction manager, set up an elaborate work schedule postulated on a two-shift operation. No matter that for three years thereafter the boilermakers' union refused to work two shifts; Lilco and Stone & Webster nonetheless stuck to the Hyannis schedule and fell further and further behind.

The PSC staff charged that Lilco didn't monitor Stone & Webster's engineering properly or supervise its design changes or manage procurement adequately. And when Lilco did interfere, the staff charged, it only made things worse by undermining S&W's authority. At the same time, the staff claimed S&W wasn't adequately staffed to support a tight schedule and that engineering design lagged behind construction and threw off the schedule.

Shoreham became notorious for the excessive amount of overtime Lilco was willing to pay, the amount of theft on the job and the amount of shoddy work that had to be redone. The staff conservatively estimated the cost of bad work practices alone at the Shoreham site—workers starting late and quitting early, extended coffee breaks, drinking and taking drugs—at $35,000 a day.

Progress was so unsatisfactory that in 1977 Lilco finally "lost confidence" in S&W as construction manager and formed a unit to handle the construction management itself. If the decision to switch contractors was good, the PSC staff nevertheless concluded that the decision to do the job itself was bad: "Lilco did not have personnel with the background and experience to function as construction manager of a nuclear plant."

The "telling culmination of the management inadequacies represented throughout," in the staff's judgment, was the series of problems Lilco had with its three Transamerica Delaval backup diesel generators. In 1975, before the equipment was delivered, S&W complained that the diesels hadn't been tested in accordance with the purchase specifications and so conceivably might be faulty. But somehow S&W never got the data to establish the integrity of the diesels and somehow failed to impress Lilco with its concern over their quality.

Though Delaval delivered the generators in 1976, Lilco didn't get around to putting them into service until August 1983. Then, during preoperational testing, the

After Three Mile Island—TMI, as everyone in the industry antiseptically calls it—safety became an obsession. The NRC promulgated hundreds of new safety regulations between 1978 and 1983 to cope with contingencies ranging from earthquakes to missile strikes. Says engineering consultant James O. Love: "An implicit 'perfection standard' was emerging as the NRC's expectation and measuring stick." The utilities had no choice but to adjust, in some instances tearing apart nearly completed plants to conform to the changes, or redesigning plants just under way. The process seemed unending. "At the McGuire plant," says Bob Dick, Duke Power's construction vice president, "we were really putting in with one hand and taking out with the other."

Some utilities had risked starting construction with designs only 20% complete, rather than the 40% considered minimal, only to discover, with the NRC changes, that they were not even that far along. Florida Power & Light's much admired St. Lucie 2, which started out with a design 70% complete, wound up with a design only 30% complete. The logistical and morale problems were overwhelming. "These plants are so congested you can't be sure all the pipes are going to go where they're designed," says Bob Dick. "You design, you attempt to erect, you change, you analyze, and it may recycle two or three times."

"The work force becomes inefficient as a result of the delays," says Stone & Webster Senior Vice President John Landis. "You lose workers, usually the very best workers, and when you restart, the workers that remain make mistakes. The delays are, in my opinion, the most costly factor in the nuclear power economic picture."

There was another cost consequence of TMI, more subtle than delays as such but scarcely less profound. "After TMI," as AIF's Carl Walske sums it up, "the balance of decision-making power shifted sharply from the utilities to the regulators." The NRC itself didn't worry about the cost impact of the regulations it imposed; it wasn't supposed to. And under cost-plus contracts, of course, suppliers and contractors had virtually no incentive to be efficient; they were reimbursed for the costs of retrofitting NRC-dictated changes as they were for any others. The industry itself was on the ropes, and most companies were prepared to do whatever was asked of them, never mind the cost. When the PSC charged Detroit Edison with wasting money out of a "near-paranoid concern for environment and safety," utility Chairman Walter J. McCarthy readily conceded: "This is a charge to which we gladly plead guilty."

The NRC didn't worry about the cost impact of the regulations it proposed; it wasn't supposed to.

Many utilities were totally unprepared for proj-

Allan Tannenbaum/Sygma

Entry gate at Lilco's Shoreham nuclear plant

crankshaft on one of the three diesels failed, two others developed cracks, and Lilco found itself with millions of dollars' worth of defective equipment on its hands. It thought it had a warranty for one year after the equipment went into operation, but Delaval said the warranty was good for one year after the plant was originally scheduled to go into operation in September 1977.

So Lilco laid out $91 million for three new generators from Colt Industries and a building to house them. But with new crankshafts the Delavals proved usable after all. Lilco had spent a needless $91 million and ended up with three to four times as much backup power as it needed. The PSC staff also claimed that the delay involved in getting the defective diesels into service had increased the plant's capital cost by $539 million.

The PSC, obviously having begun to think there was something rotten in Suffolk, began prudency hearings in October 1981 to find out what had gone wrong. By stacking Shoreham up against both the industry as a whole and a similar nuclear plant—Pennsylvania Power & Light Co.'s Susquehanna 1—the PSC staff concluded that Lilco's management was seriously deficient. In addition to its scheduling and diesel problems, Lilco's engineering and construction man-hours were so excessive, the staff argued, that only $2.3 billion of Shoreham's $4.2 billion cost could justifiably be included in the rate base.

Lilco scoffed that the staff seemed to think all nuclear plants were alike, but they obviously were not. Lilco claimed it had conducted its nuclear program more or less as every other utility had, and if it hadn't done as well, the reason was that Lilco wasn't like other utilities. Lilco didn't have the climate, the labor, the previous nuclear experience, the work rules, the work ethic or the environment other, more successful nuclear utilities enjoyed. You couldn't help wonder, in fact, whether conditions on Long Island weren't so unfavorable to the construction of a nuclear plant that any prudent management would have sought some other solution.

Meanwhile, power consumption in Lilco's Long Island territory continues to grow so briskly that sometime later this year Lilco will fall below the reserve requirements mandated by the New York State Power Pool. That may be management's strongest argument for getting Shoreham into operation, and as quickly as possible.

"This is a finished plant," says Bill Catacosinos. "If the Shoreham situation is resolved, Lilco will be on its way to financial health." That depends, of course, on just how much of Shoreham's cost the PSC will accept. If the PSC staff proposal wins out, Bill Catacosinos concedes, Lilco is bankrupt.—J.C.

ects requiring management skills of such a high order. The NRC shut down Marble Hill and South Texas for over a year because construction managers there had problems pouring concrete correctly. Contractors had difficulties welding metal almost everywhere—Marble Hill, Zimmer, Shoreham, Clinton, Byron, Limerick, Nine Mile Point, take your pick. They couldn't always install electrical equipment properly, either, or follow the specifications for steel. At Commonwealth Edison's Byron plant, the NRC chewed out the contractors who did the electrical, piping and duct work, and even banned one from supplying safety-related components to the industry. At Nine Mile Point, rejection rates in final welding and mechanical aspects for poor workmanship ran around 38%. Poor craftsmanship, an NRC study concluded, "was an effect, not the cause. The principal underlying cause . . . was found to be poor utility and project management."

The nuclear program is falling apart, not on nuclear technology. It's falling apart on conventional construction.

"We developed the whole nuclear technology in the U.S.," laments New York consulting engineer Gerard C. Gambs, "and now the nuclear program is falling apart. Not on nuclear technology. It's falling apart on conventional construction, which I think is absolutely incredible."

Many companies even failed to comply with the NRC's requirements for documenting that a plant had met the proper quality standards. Granted, those requirements were exceptionally onerous, resulting in paperwork by the carload, microfilmed records by the millions. But the duty was clear. The penalty for failure to comply was severe—lacking that documentation, the NRC refused to accept the quality of the plant. Paperwork failure, nevertheless, was endemic—at Illinois Power's Clinton plant as at Duke Power's Catawba, at Texas Utilities' Comanche Peak as at Gulf States' River Bend, at Kansas Gas & Electric's Wolf Creek as at MSU's Grand Gulf.

The ineptitude had no pattern, and virtually anything could go wrong, and did.

The utility business may not have attracted the most talented managers in U.S. business, but most of them recognized that they didn't have the skills to handle the job and hired what they thought were the best in the business to do it for them—big guns like Stone & Webster, Bechtel, Ebasco, Sargent & Lundy, GE, Westinghouse, Combustion Engineering, Babcock & Wilcox.

But the presence of any one of them on the job was no guarantee of efficient performance. Too many hands play a part in a nuclear project for any one of them to be decisive—as many as a dozen contractors and subcontractors in most projects, ranging from the architect/engineer who oversees the design and engineering of the project to the construction manager who implements the design, presiding over everything from procurement and the pouring of concrete to the installation of the mechanical and electrical systems.

Thus, both Cincinnati Gas & Electric and Public Service of Indiana hired Sargent & Lundy, the architect/engineers of Commonwealth Edison's highly successful nuclear program, to duplicate that success at the Zimmer and Marble Hill plants. But it was Edison's role as construction manager that made the big difference. PSI acted as its own construction manager at Marble Hill, while CG&E hired the Henry J. Kaiser Co., which had no previous commercial nuclear experience, to build Zimmer. Both plants were abandoned, Zimmer because its safety and quality could not be established, Marble Hill, after some quality problems, because it ran out of money.

Houston Lighting & Power turned to Texas' own Brown & Root, which offered "full responsibility" contracts to engineer and construct nuclear plants. But B&R's engineering couldn't keep up with construction, or so HL&P complained in its suit against the company. The project was halted for two years while B&R corrected faulty concrete and welding work, and the NRC complained constantly about the quality of its work. HL&P complained that, after nine years, B&R had completed less than half the engineering and one-third of the construction. An outside consultant found failures of the most basic kind: defective systems integration and overview function in the design process, lack of a well-thought-out, consistent basis for the work, failure to see that subcontractors had met design specifications, failure to document the work done.

It might be noted, in fairly assessing the dismal record, that Brown & Root had never built a nuclear plant on its own before. Neither had Kaiser. But what is to be said for Stone & Webster, which took credit for some of the most successful nuclear projects in the Sixties and early Seventies, yet went on to preside over three of the most costly and troubled plant projects still under construction—Lilco's Shoreham, NM's Nine Mile Point and Duquesne Light's Beaver Valley?

The staff of the New York Public Service Commission chewed out Stone & Webster for major deficiencies in its role at Shoreham, while the NRC complained about quality control deficiencies at Nine Mile Point. Shoreham had plenty of problems *(see box, p. 88),* but S&W's John Landis suggests that they were pretty much par for the course. "We didn't have the same magnitude of problems elsewhere that we did at Shoreham, but there were similar problems: a lot of intervention, a lot of starts and stops. Some lack of communication among the parties involved. High labor costs and, of course, construction in a period when the effects of TMI were particularly harmful."

The bungling the industry was capable of boggles the mind. In the Zimmer control room, according to a study for the Ohio PUC, the control panel would catch fire when the alarm nodule lights went on close together, so that in an emergency the panel would have knocked itself out and the staff would have been unable to control the plant. But nobody worried about that. Many of the lights had burned out, and the staff had unplugged others to decrease the risk of fire.

The ineptitude had no pattern, and virtually anything could go wrong, and did. How could an experienced contractor like Bechtel have prepared the Midland plant site so poorly that the diesel generator building began settling excessively? How could Bechtel have installed the reactor backwards at San Onofre? How could Brown & Root have got the reactor supports 45 degrees out of whack at Comanche Peak? How could experienced operators pour defective concrete at Marble Hill and the South Texas project? How could the NRC itself approve designs for the Mark II reactor when what Grand Gulf was building was a Mark

Troubleshooter

William Derrickson is the superman of the nuclear utility industry these days. As general manager, he brought in Florida Power & Light's St. Lucie 2 plant close to cost ($1,795 a kilowatt) and on schedule (six years). Since it went on line in 1983, the plant has operated at 92% of capacity, well above the industry's 58% average.

Derrickson is now at Public Service of New Hampshire, as vice president for nuclear power, to oversee completion of that company's financially troubled Seabrook nuclear plant. Budgeted originally at $970 million, the two-unit, 2.3-million-kw plant promised to cost over $9 billion complete when it was shut down last spring for lack of money. Construction resumed at a $4 million-a-week level last July, but PSNH is having so much trouble finding the money to finish unit 1, it's almost certain unit 2 will be canceled.

Seabrook 1 is already 83% completed, with 99% of the materials on site, rusting, awaiting more money. When and if that appears—the financing is agonizingly slow—it will take $830 million and maybe 18 months to get the plant into production. Derrickson has no doubt that he can bring the project in under its current $4.5 billion budget, unless the financing falls through again, but the shutdown and slowdown have already added another $400 million to the cost of the project.

Seabrook's Bill Derrickson

In taking over for PSNH, Derrickson drastically revamped the way United Engineers managed Seabrook. United had hired subcontractors like Fischbach & Moore and Johnson Controls, and they in turn hired the craftsmen to do the job. But Derrickson wanted greater control, and United now employs those craftsmen directly. "We're setting up things we know worked in the past because we believe they will work in the future. They're working already.

"The trick is to be sure, first of all, that the job is planned and scheduled—that we know what we want to do when. Our operating and startup people tell us what is the sequence of things to be done. What are the first systems, the second, right on through, and we put in the construction duration and the engineering, the materials delivery requirements—pumps, pipes, instruments, cubic yards of concrete. But we start from the end of the job backwards, working toward the operating objectives. On the basis of industry and local experience, we know how many man-hours per foot of cable it should take, how many man-hours per foot of weld, and so forth, and we staff accordingly."

Given the pressure of compounding interest charges, Derrickson explains, making the schedule is everything. If you don't make it, you're not going to control your costs. To ensure that they stay on schedule, Derrickson's craftsmen work in two shifts, five days a week, eight hours a day. No overtime. Derrickson saves Saturday for contingencies—an NRC-dictated change, say—and has allotted $170 million to pay for them.

"What we've done," he says, "is develop a system that gives us the flexibility to absorb changes and not impact the schedule." At St. Lucie, for instance, TMI changes boosted the cable required, from 3 million feet to 4.5 million feet. Derrickson was able to stay on schedule by working Saturdays and enlarging the second shift. "There haven't been any regulations affecting Seabrook coming out of the NRC since the summer of 1983, so if there are no more, our contingency system will cover anything we didn't pick up."

Derrickson has never been one for blindly adopting everything the NRC happens to order. FP&L maintained an office right across the street from the NRC in Bethesda, Md. and PSNH has now taken it over, so he is always alert to what the NRC has in mind. "If we had a problem with a regulation, we sat down with the NRC and said, 'Do we really have to do this one, or can we do it this way instead?' The plant might not accept what's been proposed. But the regulations are what they are, and we will comply with them one way or another."

Maybe the trick is in knowing when to say to hell with the schedule. At St. Lucie, when the pipefitters' union began dropping oil and paint on the quality control inspectors as part of a drive to organize them, Derrickson promptly shut down the whole project. "We just told them, 'No more! We can't justify paying until everybody can come back and put in an eight hour day doing the job.' It took about three weeks for them to come around."—J.C.

Lacking knowhow, utilities hired experts to manage nuclear projects. But the experts themselves all too often bungled the job.

III? How could design control have been so lax that PG&E used the wrong drawings in calculating seismic response for the steel in the Diablo Canyon containment building?

The NRC has a partial answer. "In some cases," an NRC study concluded, "no one was managing the project, the project had inertia, but no guidance and direction." The NRC's diagnosis may seem self-serving, but an Office of Technology Assessment study last spring came to the same conclusion: "Inadequate management has been one of the major causes of construction cost overruns and erratic operation."

In the end, things sometimes got so bad the utility managers themselves were forced to intervene. Lilco took over from Stone & Webster as construction manager at Shoreham. Houston Lighting dumped Brown & Root for Bechtel and Ebasco. Public Service of New Hampshire moved in on United Engineers. CG&E replaced Kaiser with Bechtel. PG&E even hired Bechtel to complete the job PG&E itself had bungled.

Even the most carefully managed projects ran into trouble. At Georgia Power's Vogtle plant, for example, 12,000 socket welds had to be reworked and reinspected. Duke Power, the most successful of the lot, has had problems with quality control like everyone else.

And so have some of the industry's most respected suppliers—most notably the General Electric Co. Seven utilities committed themselves to GE's Mark II containment system, only to discover, back in the mid-Seventies, that the reactor containment structure was defective. In the interest of safety, the containment had to be redesigned to contain the violent forces that could be generated in the event of an accident, and that took time and money. How much money the utilities decline to say, but the modified design was not approved by the NRC until 1981. And the changes were certainly costly. A study done for the Ohio PUC urged that Cincinnati Gas & Electric sue GE for the $360 million the Mark II modifications eventually cost the company.

Most disheartening of all, perhaps, are the instances of mendacity and worse in U.S. nuclear projects. A number of major contractors allegedly rigged bids at the Washington Nuclear, Diablo Canyon and Marble Hill projects, and some have gone to jail for it. Quality control inspectors have been intimidated, documents have been forged, operator training records have been falsified. Metropolitan Edison pleaded guilty to using faulty test procedures at TMI. Wolf Creek even managed to document as inspected a weld that didn't exist.

One conclusion seems inescapable: Any utility that failed to involve itself directly in every aspect of the project was likely to end up with a mismanaged project. And as Lilco and PSI made clear, even that may not be enough. Look at the nuclear table on page 85: On five of the eight projects likely to come in for less than $2,000 per kilowatt, the utilities involved handled their own engineering and construction. So it's a catch 22 dilemma. Lacking knowhow, utilities hired experts to manage nuclear projects. But the experts themselves all too often bungled the job.

Apologists argue that most of the nuclear industry's troubles were simply beyond the industry's control. Can't keep your costs under control? Can't meet your construction schedules? Blame the NRC, blame the antinuclear forces, blame inflation, blame interest costs. Don't blame the fact that you haven't the slightest idea of how to control costs or schedule production. " 'Regulatory problems' is a kind of a catchall for all the cost overruns," says one consultant who understandably wishes not to be named. "They made mistakes and could have done a better job. The construction mentality is to build the plant and don't let paperwork slow you up."

But the NRC's requirements, while burdensome and sometimes outrageous, were not insupportable, and some utilities and construction firms had considerable success in coping with them. Arizona Public Service even anticipated many of the design changes the NRC imposed after TMI—simply because it had committed itself to building the best plant it could. And Duke Power has consistently brought in the lowest-cost and most efficient plants in the industry.

The project that serves as a model—and a reproach—to almost everyone is Florida Power & Light's St. Lucie 2 project. Despite post-TMI design changes and a brutal hurricane, St. Lucie 2 was built in six years at a cost of only $1,795 per kw. FP&L had nuclear experience, and much of the design was complete when construction began. But management made the difference. "They expected the NRC to respond to the schedule," says Russell J. Christesen, president of Ebasco Services, the engineering firm that designed and built the plant, "and whatever the NRC had to do, the company made happen. Current regulatory procedures need not necessarily preclude meeting construction schedules and budgets."

3 Points of no return

What the utilities, the contractors and the suppliers began, the state regulatory commissions finished. High inflation and higher interest rates exploded the costs of the nuclear program and ultimately dissolved the community of interest between the regulators and the utilities.

Even before TMI, the costs of the industry's nuclear program had been rising faster than prices in the economy at large, faster even than costs in the construction industry as a whole. The effect of everything that went wrong after TMI—every schedule that was missed, every design that was reworked, every pipe hanger that had to be ripped out and reinstalled, every quality problem, every stretch-out, every postponement, every legal or antinuclear delay—served to double and triple these costs. Cincinnati Gas & Electric's Zimmer plant, for instance, started out in 1969 costing $240 million, was budgeted at $500 million by 1975, $1 billion by 1980 and $1.7 billion in 1982, with an additional $1.4 billion yet to be spent when construction was abandoned in 1984.

NRC regulation was responsible for at least part of these cost increases. But the accounting

The best

If any utility was equipped to cope with the challenge of the nuclear age, that utility was North Carolina's Duke Power Co. Dominated by engineers for all of its 80 years' existence, Duke has an engineer's conviction that the best-engineered plant inevitably also will be the most efficient, lowest-cost, most reliable and, in the end, most profitable. Things have pretty much worked out that way.

Duke has put five nuclear units into operation so far, the latest of which, McGuire 2, went commercial last March at a cost of a mere $932 a kilowatt, less than one-third the cost of the average new U.S. nuclear plant, roughly 60% of what the Canadians spend, and pretty close to what the French plants cost.

Duke Power's Catawba plant at Lake Wylie, S.C.

Duke's geographic location doesn't hurt any, of course. Its labor costs (mostly nonunion) are considerably lower than those in such places as New Jersey or New York. Nor has Duke been subject to as much environmentalist opposition as some utilities have been, partly because the company has made an effort to avoid it.

But what really makes its commitment to excellence pay off is that Duke Power is not just an electric utility. It's also an engineering and construction firm. It doesn't subcontract even its biggest jobs, it does those jobs itself, including the engineering and construction work. The engineering and construction staff is on the Duke Power payroll, receiving the same wage scale and fringe benefits as the rest of its employees. Although Duke's way may cost somewhat more, it provides a skilled, experienced and permanent work force that has moved from plant to plant for nearly 20 years now as the company's nuclear program has progressed, first from Oconee, completed in 1974, to McGuire, 1984, then to Catawba, scheduled for 1986.

"The fact that we design, build, test, start up, operate, maintain with essentially the same people is very beneficial from a cost standpoint," says Bob Dick, the engineer who oversees Duke's nuclear construction program. "I feel sorry for people who have 15 contractors they have to interface with. Everybody here knows the way we do things.

"We measure productivity at the beginning and the end of the day, before lunch and after lunch, always looking for small things to make corrections on. We don't perform any work without written procedures and instructions. We originally assumed that, given an experienced crew with experienced supervision, certain tasks were just part of the skill of the craft. But you can't depend on that. We have an intense pride in being the best. It's the tradition, the culture."

Duke also has run a wholesale electrical distribution business for years. As a result, as the nuclear program got under way, the company already had the skills it needed for handling procurement. This has enabled Duke to buy more cheaply than it would have through middlemen, and it has given it greater control and knowledge of its costs than it would have had otherwise. Thus, in design, construction and procurement, Duke does virtually everything itself. "If anything goes wrong," one executive points out, "we know who's responsible. It's us."

Like everyone else in the business, Dick complains about NRC regulation. The agency, he says, sometimes seems more interested in documentation than in quality. "We have actually cut perfectly good welds out of pipes because a piece of paper in the inspection record was misplaced four years ago." But those are the rules of the game, he says, and you try to play by them.

Duke's nuclear program was one of the first to run into financial problems, back in the mid-Seventies, so that it learned early to cut its ambitions to suit its resources. It slashed $700 million out of its construction program at that time and succeeded in peddling a 75% interest in the new Catawba plant to a group of municipal and cooperative electric companies that could finance their investment with low-cost, tax-exempt bonds. Later, when demand began to fall off, Duke was reasonably quick to curtail and then cancel its Perkins and Cherokee projects. Perkins was scheduled to come into production in the early Eighties, Cherokee in the Nineties.

So you do the job right and you do it within your means, or you don't do it. And it works. The three Oconee units cost $194 per kw, the two at McGuire $849, and the two at Catawba $1,703, with capitalized interest accounting for over one-third of the difference between McGuire and Catawba. But for all its success, Duke no longer considers nuclear power a choice. "We would not have gone into the nuclear business if we had realized the instability of the licensing process," says William Grigg, Duke's treasurer. "A nuclear plant with all the regulatory uncertainties, all the investor concern, the environmental concerns, I just don't think would be a viable option for us."

As it happens, Duke is unlikely to need any new power for a decade. When Catawba is complete, Duke will have 49% of its capacity in nuclear, and a comfortable 31% reserve capacity. Its next big venture is the Bad Creek pumped storage project scheduled for 1991. Where Duke's power will come from, the next time it goes looking for some, may depend on how successful the U.S. has been in learning from the mistakes of the past.—J.C.

practices prescribed by the state regulatory commissions were responsible for even more.

If an industrial company builds a plant, the interest cost of any debt it incurs generally goes into the profit-and-loss statement as a charge against income. Not in utility accounting. Today's customers, the regulators' argument runs, shouldn't be required to pay even the interest cost of tomorrow's power. A power plant usually has to be "used and usable" before the investment can go into the rate base and earn a return.

Instead of charging off interest costs, the utility imputes an interest charge to the money it has invested in a project based on its average cost of capital, capitalizes the amount (that is, adds it to the total investment) and reports it as a noncash credit in its income statement. The credit is called AFUDC, Allowance for Funds Used During Construction. AFUDC increases reported net income, but it also increases the cost of the project. Impute a 10% or 15% return to a $2 billion investment and then capitalize it, and the cost increases by $200 million, $300 million a year. Worse, the capitalized amount is then imputed a return of its own. And so the costs of an unfinished plant expand and compound, and the longer a project takes, the more the cost compounds.

If many companies were derelict in monitoring their contractors, many rate commissions were equally derelict in failing to monitor the utilities.

Take FP&L's St. Lucie 2 plant. "The interest costs were $300 million," says project manager William Derrickson *(see box, p. 91).* "If we had taken two or three years more to build it, even if the bricks and mortar were the same, we would probably have incurred up to a billion dollars more."

As construction dragged on, AFUDC came to provide a major part of utility earnings—close to 100% for outfits like Lilco, 113% for Kansas Gas & Electric and 126% for Public Service of New Hampshire. But, though the companies looked healthy, there was no cash behind these paper earnings. Utilities in such a bind had to finance their construction programs out of the cash their operating properties were generating, and when that wasn't enough, borrow money, sell more common or preferred or even cancel the dividend. When inflation, high interest rates and delay push the cost of a project into the billions, that often gets pretty difficult.

The Wall Street firm of Donaldson, Lufkin & Jenrette calculates that current investment in ongoing nuclear projects accounts for 78% of total net plant for PSNH, 75% for El Paso Electric, 64% for Louisiana Power & Light/New Orleans Public Service, 50% for Kansas City Power & Light and for Union Electric, 49% for Toledo Edison. "If you only have half of your capital generating cash," says DLJ's Christopher Young, "you're not really solvent."

For many companies in many states the cash flow problem has been eased a little by partial CWIP—construction work in progress—providing at least some return on a small portion of construction cost allowed in the rate base. But on an investment of several billions, even 20% is far from enough and not much more relief from that quarter can be expected. Regulators saw what was coming. As costs began to rise into the billions and the utilities began arguing for more generous CWIP, the state commissions became increasingly unsympathetic. Washington State, for instance, recently banned CWIP by law.

In such circumstances, poor management is not simply failing to develop a construction project properly. It is also failing to recognize that you lack the financial resources to fund a project or, having recognized it only belatedly, failing to shut the project down. Some utility managers accepted their financial limitations and acted accordingly—Boston Edison and Dominion Resources, for example. Many more did not. "In terms of its financial viability, Public Service of New Hampshire should never have built Seabrook," DLJ Vice President Mariel Clemensen says bluntly about one case in point. "It simply could not support close to 80% of its capital in a construction project. We can't blame regulatory reluctance for the problems the companies got themselves into."

The chairman of Michigan's PSC, Eric Schneidewind, couldn't agree more: "We don't manage the utilities. We manage ultimately the amount of money they can collect, but we don't tell them you must or must not use it in certain ways. That's the reason they get paid."

Perhaps so. Yet the commissions do manage to a degree, and so they are not completely off the hook. Many commissions, after all, can approve or disapprove the financing for utility construction programs. Just as a good many companies were derelict in failing to monitor what their contractors were doing, a good many commissions were equally derelict in failing to monitor what the utilities were up to. If completion of a project was in the best interest of the ratepayers, even the normally difficult Massachusetts commission has had to concede, a utility was entitled to expect regulatory support. But all too often, it failed to get it.

The commissions are now in a box no matter what they do. With interest capitalized rather than written off, rates have to rise sharply when a new and very much higher-cost plant representing a major proportion of assets enters the rate base. It's not the cost of the plant as such that makes the difference, but the cost of the plant in relation to the rate base. Thus Niagara Mohawk may need only a 19% rate increase to account for its $5.1 billion Nine Mile Point plant, whereas Union Electric may need 42% and more to offset Callaway, which cost only half as much. Big companies like PG&E or Duquesne Light can absorb such increases with ease. But for smaller companies, the projected impact is chilling.

To mitigate the rate shock of these new plants, some commissions have been turning to various schemes for "phasing in" higher costs over a period of years. Rather than posting a single large rate increase, Kansas Gas & Electric will probably bring in Wolf Creek in stages—39.4%, 11.5%, 10.8%, 8.2%, 4.6%. Lilco has a similar plan, and Connecticut utilities are considering a similar phase-in for Millstone 3 and Seabrook 1.

For the utilities and the commissions, the honeymoon is over at last. "This is supposedly a cost-recovery industry," says Edison Electric Institute Vice President Richard Braatz. "Yet the commissions practice cost deferral. They've deferred so much by now that the pigeons are coming home

Who's holding the bag?

Back in 1978, when oil prices were soaring, the 24 rural electric cooperatives of the Wabash Valley Power Association decided to take up a 17% interest in Public Service of Indiana's new Marble Hill nuclear plant. Seven years have passed, and Wabash Valley still doesn't have its nuclear plant, but it does owe the Federal Financing Bank the $478.8 million it borrowed for Marble Hill, which it can't afford to pay. Public Service of Indiana formally abandoned Marble Hill last November and Wabash Valley already has defaulted on two quarterly interest payments. And, according to Jack Van Mark, deputy administrator of the Rural Electrification Administration, which guaranteed Wabash Valley's federal loan, "Foreclosure is a very serious possibility."

How did WVPA get into this mess? "In the mid-Seventies," explains General Manager Edward Martin, "during the energy crisis, we looked at Marble Hill as a long-term cost-controlling adventure—or venture, rather." He was right the first time. Until then Wabash Valley had always bought power wholesale from investor-owned utilities and sold it to distribution cooperatives in northern Indiana's rural areas. WVPA already purchased half its power from PSI. With prices rising and energy increasingly short, it reasoned, investing in Marble Hill would enable Wabash to get the same power for maybe 2.2% less than it would pay wholesale. That seemingly small difference amounts to $128 million over 13 years.

Brian Seed, Click/Chicago

Transmission towers in electrical co-op country

Marble Hill was PSI's first nuclear project, but it looked plausible enough. The plant was a replica of the Byron plant being built by Commonwealth Edison, and Edison had been as successful with nuclear power as anyone. Besides, WVPA officials told themselves, there was no other prospect for low-cost power.

And so, in 1978, WVPA arranged for a $361 million low-cost credit line from the Federal Financing Bank and turned over a first payment of $34 million to PSI, which would have full management of the project. WVPA felt it had to keep faith in the project even after the Three Mile Island accident, which occurred in March 1979. "Three Mile Island scared us all to death," Ed Martin explains, "but what do you do? It's not like someone in the stock market. You can't just take your money and go. This was a major commitment with literally thousands of jobs at stake."

Marble Hill's troubles began almost immediately thereafter. The concrete for the plant was defective, honeycombed with voids. In August 1979 the Nuclear Regulatory Commission imposed a stop-work order on all safety-related construction. The order was not fully lifted for 30 months. But WVPA doggedly stuck to its investment. Cost estimates for the plant rose from the original $1.8 billion to $3.4 billion in 1980, $4.[illegible] billion in 1981 and $5.1 billion in 1982, while commercial operation of the two-unit plant was delayed four years, to 1986 and 1988. To cover its share of the escalating cost, WVPA received another $588 million credit line from the Federal Financing Bank, guaranteed by the REA, in 1980. Even at $5.1 billion, WVPA expected to save $198 million compared with buying power from other sources. In any case, WVPA thought that staying in was better than forfeiting its share of the plant's output and still having to pay off the money it borrowed. Which in the end is what happened.

In early 1983 Marble Hill was in trouble again. PSI suspended work on the plant's electrical, heating, ventilating and air-conditioning systems, faced further delays from a revision in the structural steel requirements, and finally in October announced costs had risen to $7 billion and commercial operation would be delayed until 1988 and 1990. Only months later, it suspended construction entirely. In November 1984, after having laid out $2.3 billion, PSI formally canceled the project.

Which left Wabash Valley holding a large bag. WVPA has already defaulted twice on repayments on its $478.8 million debt. Both times the REA has bailed it out. But what happens if the REA lets Wabash Valley go bankrupt? Unlike investor-owned utilities, a Rural Electric Membership Cooperative has no shareholders to bear the loss. Ed Martin has said the REA will have to shoulder WVPA's loss. The federal government encouraged nuclear projects in the mid-Seventies, after all, and the REA went along in guaranteeing the loans.

"Poppycock!" snorts REA's Jack Van Mark. "Wabash entered into the investment free of any coercion." Van Mark insists that WVPA is just going to have to pay for the loss through the rate structure. The REA could allow WVPA to stretch out its loan repayments, but it couldn't afford to set a precedent for bailing out co-ops with financial troubles. Raising rates to meet that obligation would be a shocker. Wabash has estimated that putting $450 million into the co-op's rate base would mean a 48% increase in wholesale rates.

Whatever the outcome, WVPA's members will be paying one way or another for their nuclear foresight for years to come.—Catherine Yang

to roost. What you're seeing is a realization that management has no assurance they can recover their costs. As a result, you are going to see an eroding in the commitment to service."

For some utilities it already may be too late for improvisations like phase-ins. Once they passed the one-third or halfway point in the project—the point of no return—these utilities could not afford to write off an unfinished plant. So they pushed ahead, hoping to finish the plant as quickly as possible, get it into the rate base and begin recovering their money. In several states—Ohio, Oregon, Missouri among them—they had no choice at all, because by law they could not recover the cost of "unused" properties under any circumstances.

The utilities were beginning to discover the commissions were no longer the rubber stamps they once were.

All too often, as the utilities raced for completion, construction schedules kept lengthening and costs went on rising with no end in sight. But even when they did get the plant completed, the utilities were beginning to discover that the commissions were no longer the rubber stamps they once were. You could not put a plant into the rate base unless it was "usable"—that is, built to serve an existing demand. And so, last August, for example, the Pennsylvania Public Utility Commission in effect disallowed $287 million of the cost of PP&L's Susquehanna 1 on the grounds that the plant provided excess capacity, and it may look no more favorably on Unit 2, which recently went into operation. The Texas PUC disallowed $166 million of the cost of Houston Lighting's abandoned Allen Creek project, claiming the company should have canceled the project two years earlier, and then cut HL&P's allowed rate of return as a penalty for poor management. In New York, as noted, the PSC staff wants to disallow $1.5 billion of Lilco's Shoreham costs on the grounds that they were imprudently incurred. In California the $2.5 billion overruns in PG&E's Diablo Canyon costs over the past eight years may never find their way into the rate base.

For the first time the threat of bankruptcy has become a reality for a handful of major companies.

And that was hardly the worst. A number of companies lost the gamble and ran out of cash before they could finish their construction programs—Consumers Power, Lilco, Public Service of Indiana, Public Service of New Hampshire. "The markets tended to close," says DLJ's Young. "The only way you can fund it yourself is to stop paying your common dividend. Rate relief doesn't do it because it takes too long to recover those dollars. And once you cut the dividend, the market really closes. You can't sell common or preferred, and you can only marginally sell bonds. So now you can't fund the completion of the project, and you have to abandon it. But if the PSC doesn't accept its value, you have to write off the rest, and the writeoff can be so substantial you're brought to the brink of bankruptcy."

But in the end some companies had no choice. Over the past three years, the Washington Public Power Supply System stopped work on two units it had under construction, canceled two others and defaulted on $2.2 billion in bonds. A year ago, CG&E and its partners in the Zimmer project gave up and decided to convert the site to coal. Public Service of Indiana first suspended and then, last year, canceled Marble Hill, 50% complete. In June Consumers Power halted Midland 2, 85% complete. Except for Zimmer, which was halted because it could not meet the NRC's quality standards, all these plants were canceled, because their owners could not raise the money to finance them.

Those are extreme cases, all of them, but they embody the problem companies everywhere face. Utility analysts expect that most of the second units still nominally under construction will be canceled as well—Grand Gulf 2, Limerick 2, Perry 2, Seabrook 2, WPPSS 3. Clinton, Grand Gulf 1, Waterford and River Bend, among others, still suffer recurring cash shortages. Lilco appears to have solved its financing problems at the moment, but whether its Shoreham station, now virtually complete, will ever go into commercial operation is anybody's guess *(see box, p. 88)*.

And so for the first time the threat of bankruptcy has become a reality for at least a handful of major electric companies. A bankrupt utility is obviously not going to suspend operations, but established procedures for utility bankruptcies, unlike the railroad industry, don't exist. Nobody is eager to deal with such questions as who—a utility regulator or a bankruptcy court—has primary jurisdiction over utility property, who has the authority to dispose of assets, repudiate power or fuel contracts or even, conceivably, set rates.

Nobody knows either what will happen to a utility's costs in bankruptcy. "While the lights may stay on in bankruptcy," according to Jay Worenklein and Glenn Gerstell, utility and bankruptcy experts at Milbank Tweed, the New York law firm, "the costs may be higher, the service less reliable and the economic environment less attractive to new business." With inordinately high-cost plants such as Shoreham and Seabrook, it's not inconceivable that in the short run the consumer would be better off if bankruptcy forced a drastic scaling down of all the companies' debts. Their debt burdens aside, after all, both Lilco and PSNH are demonstrably viable companies.

Nobody wants to see the utilities go bankrupt. The states would lose tax revenue and probably jobs. A Consumers Power bankruptcy would even jeopardize the $108 million in pension fund money that the state of Michigan has invested in CP bonds. Even the tough-minded New York PSC ordered a rate increase to keep Lilco from bankruptcy. Large industrial customers have been paying their utility bills early. Suppliers have been letting utilities pay their bills late. And last December a group of industrial customers even supported Consumers Power's petition for a rate increase to avert bankruptcy. So chances are the utilities in trouble will somehow be kept afloat.

The repercussions of even a single bankruptcy could be fairly widespread, undermining the integrity of utilities everywhere and demonstrating that the unthinkable needed to be thought about after all. "If New Hampshire were to fail," asks DLJ's Chris Young, "and the capital market were really to come to grips with the fact that a utility can fail, could Gulf States finish the financing required for the River Bend project? Or Middle South that needed for Grand Gulf or Waterford?"

There is one other avenue left the utilities. If they can't recover their costs through the rate structure, some state commissions have argued, they conceivably could recover them through the courts. That's why everybody in the industry these days lives under the threat of litigation. Dow Chemical is suing Consumers for the $60 million Dow says it wasted on cogeneration equipment for the aborted Midland 1 plant. Consumers, in turn, is countersuing for the $460 million Dow was obligated to provide as its share of the cogeneration deal. Houston Lighting & Power is suing Brown & Root for its alleged mismanagement of the South Texas project, and the city of Austin is suing HL&P for misrepresenting B&R's competence as a manager. B&R is suing HL&P in return. Wabash Valley is suing PSI to recover its $466 million investment in Marble Hill *(see box, p. 95).*

"A lot of these companies could sue some of their big contractors, but they're not going to," one consultant explains. "Termination payments for some of these canceled plants will have to be made, and the utilities would like to defer them, to work out an accommodation."

The China Syndrome is, like the movie that popularized the phrase, just a fiction after all.

One way or another, then, the utilities are likely to come through. Indeed, once the current construction program is at an end, they should recover their traditional earning power, if not necessarily their traditional growth. In the very long run—how's this for irony?—their biggest problem may turn out to be finding an outlet for their rising cash flow (FORBES, *Jan. 28, p. 31*).

But there still will be a price to be paid for the nuclear industry's miscalculations, inefficiencies and mismanagement over the years. When the last nuclear plants go into operation, by one authoritative reckoning, power costs in the U.S. will be 5% higher on average than they might have been otherwise. That's hardly any burden in itself, perhaps, but in many parts of the country the price increases should be powerful enough to reshape the economic patterns of the region, weakening regions where power costs will go sharply higher and strengthening those where they will not. Lilco worries that high-cost nuclear power will drive industry away from Long Island, while Commonwealth Edison is counting on low-cost nuclear power to make northern Illinois increasingly attractive to industry. And there you have it: both the penalty and the promise of the U.S. nuclear program. The penalties will remain. The promise expires with the program itself.

4

Tomorrow

Can the U.S. afford to let the nuclear option die?

Sooner or later—in the mid-Nineties, in the late Eighties even—the U.S. will almost certainly need to begin planning large central power stations again. As the Atomic Industrial Forum points out, assuming a 3% annual growth in electrical demand, the U.S. will need 300,000 megawatts of additional capacity by 2000. Only 100,000 megawatts—implying a 1% annual growth expectation—is currently being planned. Given the long lead times involved in building new capacity, someone must get moving in a timely way. If no one does, as Harvard utility expert Peter Navarro points out, "A shortage of electricity generation could become the binding restraint on GNP growth."

There are ways to temporize, of course, between now and the end of the century even if demand does grow by as much as 3% annually. Since any shortages are likely to be regional, the utilities could strengthen their interconnections with companies and regions with surpluses. Then, too, there's plenty of excess power in Canada. And the utilities could even use their existing capacity more efficiently through various load management schemes. Finally, various small power sources—small dams, geothermal or solar energy—may prove more effective in providing capacity than most utility men expect.

But there's little likelihood of much of this happening, as matters now stand. Protective of their own territories, many utilities are reluctant to wheel power from one interconnection to another, while the U.S. itself may be reluctant to become overdependent on Canadian power supplies, even if the Canadians are willing to sell their surplus at reasonable prices.

So, after the temporizing, what kind of generation will we choose? Hardly anyone believes oil and gas prices will be low enough or supplies abundant and secure enough for oil to be a real possibility. There's coal, of course, but nobody willingly uses coal unless there is no alternative. And conceivably the acid rain problem could one day limit coal usage considerably. But if not coal, and if not oil and gas, then what?

Everywhere else in the world the answer is nuclear. Could it not be so for the U.S. if only its cost, regulatory and management problems could be solved? As Commonwealth Edison's Chairman James O'Connor points out, "American engineering, American equipment, American constructors are building plants all over the world and bringing them in at roughly one-quarter to one-third the cost of plants in the U.S. We can do it technically. We have to learn to do it institutionally, rationalizing the process to eliminate the adversarial system that we have presently. And if we learn how to do it institutionally, I think the nuclear option is very much alive."

The federal—NRC—regulatory problem that has produced open-ended costs, rework and delay may be on the way to solving itself. The torrent of NRC regulations since TMI suggests that the NRC believes the present generation of plants is not really safe. But that may be changing. Recent research into what would happen in an accident involving a reactor core indicates that the radiation hazards are so much less than previously thought that the risk to the public is virtually nil. The China Syndrome is, like the movie that popularized the phrase, just a fiction after all.

Even without any new assessment of nuclear risk, NRC Chairman Nunzio Palladino recently urged the industry to develop one standardized design, get a site approved and demonstrate just how quickly and cheaply a standard plant can be built. Booz, Allen & Hamilton, the management consultants, have taken up the challenge and proposed an industry consortium to do just that.

Standardized designs are the industry's great panacea these days. Superficially, at least, the argument seems sound enough. You want a plant design that is 100% complete, one that the NRC could approve once and for all and so end all those delays involving construction permits and operating licenses, rework and quality concerns, at a considerable saving. In nuclear construction, the learning curve really is there. Using a standardized design, Palo Verde 2 was built in 15% less time than Palo Verde 1, for instance, and Palo Verde 3 in 30% less time than 2.

The model everyone cites is the French nuclear program, with its two large-scale standardized designs—in 900- and 1,300-megawatt sizes. The government designs and builds all the plants, regulates them, even controls the prices at which it buys the equipment. The French have the same two-stage regulatory process that the U.S. does, but they permit no public participation in the regulatory process once the project gets under way. (The Canadians go them one better and permit no public participation at all.) That prohibition may be half the battle, but whether such a system could be implemented in a far more open society like the U.S. is problematic.

Can a technology as rigorous, demanding and useful as nuclear power find a place in a society as open as the U.S.'?

Conceived as a response to the 1973 oil crisis, the French program has built 30 reactors so far, with 27 more under way. At roughly $1,000 per kw, the newest French reactors cost considerably less than most new U.S. reactors, but they probably run just about neck and neck with Commonwealth Edison's LaSalle 2 plant and Duke Power's McGuire 2 plant, especially when you consider that one-third of McGuire's costs and one-fifth of LaSalle's are capitalized interest, costs that the French reactors do not carry. U.S. nuclear costs would start coming down by at least a third if the utilities could put CWIP into the rate base.

What many advocates of the French program really seem to admire is the government's total control of the industry. At least one NRC commissioner, James Asselstine, thinks the U.S. would have been better off if the government had never lost control of the program. "The earlier reactors were built under a cooperative government-industry program, and the early reactors turned out very well," he notes. "The problem started when we scaled up, and more and more private companies got involved."

Standardization has its own drawbacks, in any case. It tends to discourage innovation, and it freezes design defects as well as solutions. As the French themselves are uncomfortably aware, their nuclear program could one day be in real trouble if they have mistakenly standardized on the current equivalent of TMI or General Electric's troubled Mark II containment structure.

And standardization is not enough in itself to solve all cost problems. Union Electric's Callaway and Kansas Gas & Electric's Wolf Creek are twins, but for all that, both are fairly high-cost twins. Indiana Public Services' Marble Hill and Commonwealth Edison's Byron were twinned plants as well, but what made Byron a success and Marble Hill a failure was not the standardized design but the managerial talents of the companies that undertook them. Management talent, or the lack of it, is what has made most of the difference in virtually every other nuclear project as well. It would be unfortunate if the technocrats forgot the central lesson of the nuclear follies.

A return to the turnkey designs of the Sixties might offer a solution to both the standardization and management problems, but no one seems to have the stomach for that right now. Properly handled, however, standardization should help reduce plant costs. Scaling down—from 1.2 million kw to 600,000, say—apparently isn't likely to help much. Nuclear power needs economies of scale to compete with coal. At a time when the growth in demand has slowed, this means that even large utilities may have to pool their resources in joint ventures, regional companies and generating companies, in order to balance capacity with consumption.

But none of these promising tactics will be easy to effect without some hard bargaining having gone before. State regulatory commissions should be able to justify the inclusion of CWIP in the rate base—after all, those are costs of an ongoing business, and consumers could reasonably be expected to finance them. But the commissions will almost certainly want something in return. "That means that management's going to have to give up some of their prerogatives," says Milbank Tweed's Jay Worenklein, "and utility companies aren't eager to have utility commissions looking over their shoulders every step of the way."

Look at the trouble Philadelphia Electric has been having. For several years now the Pennsylvania PUC has been trying to force PE to postpone Limerick 2 for lack both of a market and of adequate financial resources. PE finally suspended construction last January after the PUC refused to approve an issue of $1.1 billion in bonds, but it continues to push for completion. An exasperated PUC finally ordered it to show cause why the unit should be completed. That's the kind of interference most utilities figure they don't need.

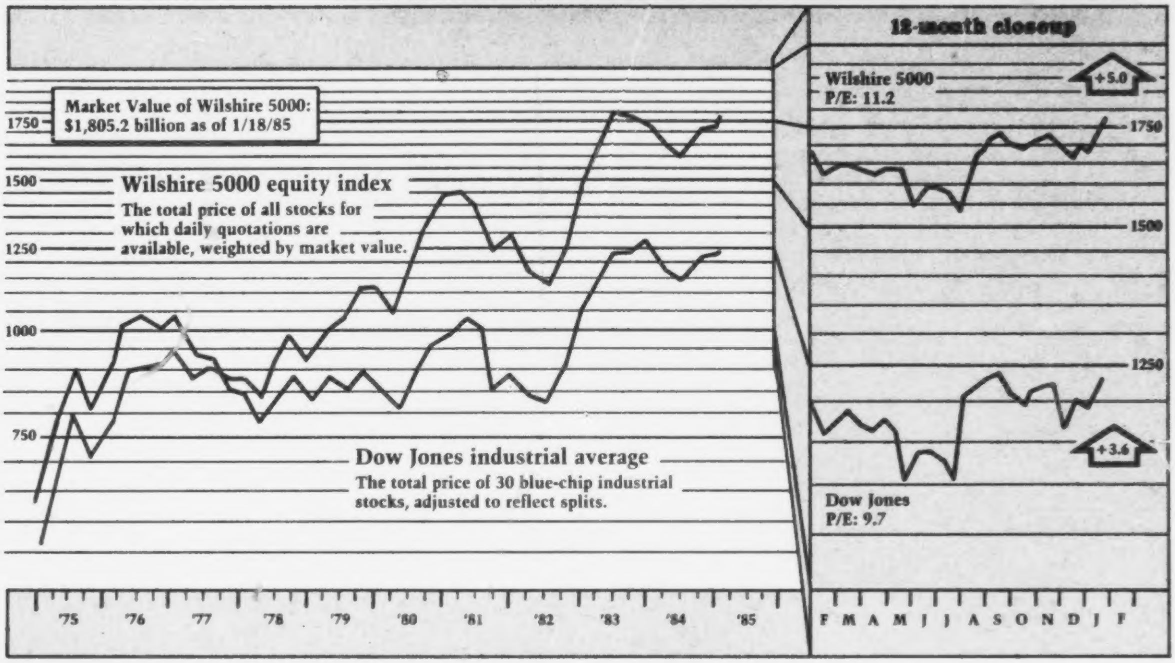
As for joint ventures, even assuming they aren't in effect ruled out by the Federal Energy Regulatory Commission (FORBES, *Dec. 31, 1984, p. 70*), state regulatory agencies aren't likely to take kindly to the emergence of local generating companies to produce power for local consumption that would be regulated by the FERC. That was why the New York PSC refused to approve Empire State Power Resources, a proposed utility-owned generating company that would have taken over Shoreham. "The PSC turned it down," Jay Worenklein says, "on the basis that they would not tolerate the transfer to federal regulation of the rates relating to those plants." In short, the federalization or regionalization of regulation would stir up states' rights sensibilities.

Such are the possibilities and the problems. The means of reviving the nuclear option are available, but they cannot be implemented without sacrificing consumer interests to those of the community at large, corporate interests to those of the states, state interests to those of the federal government. Is the U.S. really so inflexible?

In the end the problem may boil down simply to this: Can a technology as rigorous and demanding and, for all that, as useful as nuclear power find a place in a society as open as the U.S.'? ■

Edited by Steve Kichen

The Forbes/Wilshire 5000 Review



A rally running on all cylinders. Since the start of the new year Wall Street has been on an upward ride. While secondary issues held on to the lead position that they grabbed early in this rally, significant gains were registered by all major indicators. During the last two weeks the Wilshire index of more than 5,600 stocks rose 5%. The NYSE composite posted a 4.7% gain, the Amex a 4.4% gain and the NASDAQ a 6.8% advance. Although blue-chip issues were generally not as strong, the 30-stock Dow industrials still managed a 3.6% rise over the two-week stretch. For the four-week period NASDAQ issues show the best performance, a 7.7% gain, while the Dow industrials again bring up the rear, with only a 2.4% advance.

Right at the beginning of the year our investor yardsticks underwent a sharp reversal in trend. For most of 1984 the yardsticks had been showing distinctly better performances among the lower-risk, conservative issues. Now the speculative issues are outperforming their more conservative counterparts by a wide margin. During the last four weeks, for example, high-volatility issues bested low-volatility issues by better than a 2.5-to-1 ratio. In much the same way shares of small companies outperformed those of large companies and high-P/E shares gained more than low-P/E shares.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	4.1	2.9	2.4	3.6	4.8	7.7
in last 52 weeks	1.1	3.6	–2.5	3.0	–6.9	–7.5

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	4.3	9.4	12.0	4.6	9.9	5.1	4.0	11.4	11.1	4.8	3.7	10.7
in last 52 weeks	3.1	–7.8	–11.6	14.1	–15.7	5.8	11.0	–8.5	–10.8	12.4	6.7	–17.0

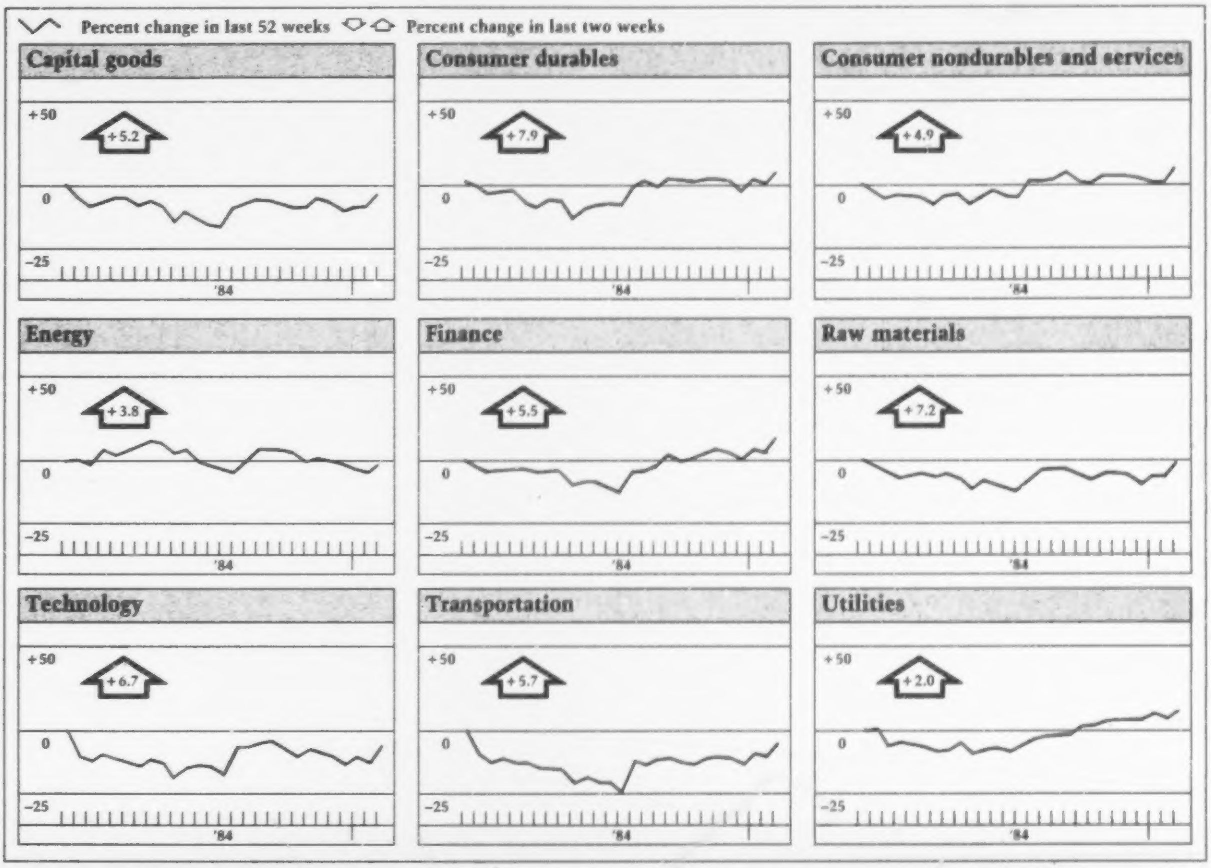
[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more table.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 1/18/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

What bad news? During the most recent two weeks all nine Wilshire sectors moved ahead, with six of the groups outperforming the market. Even transportation stocks outpointed the Wilshire index, despite sharp declines in several airline stocks following a new fare war started by AMR's American Airlines. The word from Detroit was that there would not be a drastic jump in fourth-quarter 1984 earnings. Nevertheless, consumer durables took first position with a 7.9% gain. One of three groups that underperformed the Wilshire was energy stocks, with a 3.8% increase. But the oils registered this healthy advance even though crude and refined petroleum prices continued to fall. Meanwhile, utilities, up 2%, registered the smallest gain. But these shares typically lag in strong up markets.



What The Analysts Think

Last-minute bets. Just before the release of hundreds of 1984 annual earnings reports, security analysts scurried in with last-minute changes in their earnings estimates. During the last two weeks the experts lowered their forecasts for all sectors. Utility shares show the smallest change, transportation shares the largest.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.79	9.6
1984 estimates	3.92	9.3
1985 estimates	4.56	8.0

Rank based on change in estimate	Sector	Estimated 1984 EPS	Estimated 1984 P/E	% change in 1984 estimate in 2 weeks	% change in 1984 estimate in 4 weeks
1	Utilities	$3.32	7.3	–0.07%	–0.14%
2	Consumer durables	4.67	7.8	–0.20	–0.43
3	Capital Goods	2.55	11.9	–0.34	–0.34
4	Energy	3.72	7.9	–0.35	0.04
5	Finance	2.79	9.9	–0.41	–1.94
6	Consumer nondurables	2.40	11.3	–0.89	–1.53
7	Technology	2.72	11.5	–0.91	–1.37
8	Raw materials	2.22	10.5	–1.05	–2.20
9	Transportation	2.56	9.3	–1.33	–1.18

Earnings projections are equal-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 1/18/85. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

The Forbes/TUCS Institutional Portfolio Report

Institutions—pension funds, mostly—carry a lot of weight on Wall Street. When they throw that weight around, stocks and bonds can move abruptly. The wary individual trader keeps an eye on these heavyweights. What stocks are institutional favorites? Are the big players moving in or out of technology stocks? Utilities? Consumer issues? Are money managers deserting equities on balance for cash or bonds or real estate?

The figures shown on these two pages answer such questions. They are based on more than 3,000 pension funds monitored by Wilshire Associates in Santa Monica, Calif. in its Trust Universe Comparison Service (TUCS). Within this pension sample are accounts holding $136 billion in equities—that is almost 8% of publicly held stock—dispersed among 4,126 issues.

How have the institutions been doing? Not poorly, of late. For the last quarter of 1984 the median total return (appreciation, interest and dividends) for the TUCS sample was 3%. That beats both the total return on stocks (1.3% for the Wilshire 5000) and what an account could have earned in a risk-free cash investment.

There is an element of self-fulfillment in the money managers' performance. "The institutions jumped all over some of the better [performing] stocks, like Digital Equipment," says Dale Stevens, a vice president of Wilshire. Meanwhile, heavy institutional buying of Digital helped that stock. As noted in the "Top ten holdings" table below, Digital is an institutional favorite. And as shown in the table "Position changes" below at right, Digital's share of the average account has increased. The gain of 0.2 percentage points looks small but represents hundreds of millions of dollars in the institutional equity pool.

The table "Where the institutions put their money" shows that institutions ended the quarter with a greater allocation of their portfolios to equities. To some extent, this reflects the fact that stocks favored by institutions did fairly well. In the third table on the right, the "shift in holdings" column, by contrast, shows net changes in asset allocation above and beyond stock price changes.

Where the institutions put their money

Segment	Portfolio weighting: most recent quarter	Portfolio weighting: previous quarter
Equity	57.8%	50.5%
Fixed income	27.5	31.5
Cash and equivalents	10.9	12.6
Convertibles	0.9	0.9
Other[1]	2.8	4.5

Equity portfolio characteristics

Financial ratio	Institutional portfolios	Wilshire 5000
Price/earnings ratio	11.2	11.2
Dividend yield	3.8%	4.3%
Beta[2]	1.01	1.10

The most recent quarter

Segment	Median total return	Shift in institutional holdings
Equity	1.7%	–4.2%
Fixed income	7.5	–3.6
Cash and equivalents	2.5	–14.5
Convertibles	4.6	2.4
Other[1]	0.2	NA
Total	3.0	–5.1

Top ten holdings

Security	Weighting of institutional portfolios	Total quarter return
IBM	4.1%	0.0%
General Motors	1.4	4.7
General Electric	1.2	2.6
Philip Morris	1.0	4.5
Digital Equipment	0.8	17.7
Exxon	0.8	2.5
Schlumberger	0.7	–16.5
Ford Motor	0.7	1.7
Atlantic Richfield	0.7	–13.8
American Express	0.7	11.0

Position changes: These securities had the greatest changes in institutional holdings over the last quarter.

Company	Increase in holdings	Company	Decrease in holdings
Chevron	0.4%	IBM	–0.3%
Xerox	0.3	Atlantic Richfield	–0.3
Digital Equipment	0.2	Motorola	–0.2
Philip Morris	0.2	Ford Motor	–0.2
Safeway Stores	0.2	Coca-Cola	–0.2
Waste Management	0.1	Schlumberger	–0.2
FW Woolworth	0.1	Hewlett-Packard	–0.2
AMR	0.1	Texas O&G	–0.2
NWA	0.1	Wal-Mart Stores	–0.1
Loews	0.1	American Broadcasting	–0.1

[1] Real estate, foreign investments, venture capital, guaranteed insurance contracts.

[2] A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P's 500. NA: Not available.

Note: Data for quarter ending 12/31/84. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Edited by Steve Kichen

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000:	% of institutional universe	% of Wilshire 5000	Most underweighted relative to Wilshire 5000:	% of institutional universe	% of Wilshire 5000
Digital Equipment	0.8%	0.4%	**Exxon**	0.8%	2.1%
Philip Morris	1.0	0.6	**Shell Oil**	0.0	1.0
Federated Dept Stores	0.5	0.1	**AT&T**	0.5	1.2
Citicorp	0.6	0.3	**EI du Pont de Nemours**	0.3	0.7
Lockheed	0.4	0.2	**Standard Oil Ohio**	0.3	0.6
Waste Management	0.4	0.1	**Royal Dutch Petroleum**	0.5	0.8
McDonald's	0.5	0.3	**General Electric**	1.2	1.5
Boeing	0.5	0.3	**IBM**	4.1	4.4
AMR	0.3	0.1	**Standard Oil Indiana**	0.6	0.8
American Express	0.7	0.5	**BellSouth**	0.3	0.6

The exodus from energy. Oil is not popular among institutional investors these days. At the end of the third quarter of 1984, 9.4% of the typical institutional equity portfolio was invested in energy. For the most recent quarter that figure was 8.9%. Exxon is the most widely held energy stock, representing 0.8% of institutional portfolios. But note in the table above that Exxon and four other oils appear on the list of issues underweighted by institutions, meaning that these stocks make up a smaller percentage of institutional portfolios than they do of the market.

In contrast, the list of overweighted securities reflects the desire of pension money managers to have relatively high levels of growth, but with some size and financial stability. McDonald's, for example, fits that description. However, the recent sudden drop in the price of Toys "R" Us illustrates the danger a small investor faces when an institutional favorite falls from grace. The table below shows sector weightings for institutional stock portfolios, with some of the more important stocks within each sector listed as well.

Sector activity and top holdings

% of institutional portfolio: ■ most recent quarter ■ previous quarter

Consumer nondurables 25.0 25.2		Raw materials 10.3 11.3		Energy 8.9 9.4	
	% holdings		% holdings		% holdings
Philip Morris	1.0%	**Waste Management**	0.4%	**Exxon**	0.8%
Eastman Kodak	0.5	**EI du Pont de Nemours**	0.3	**Schlumberger**	0.7
Pfizer	0.5	**Dow Chemical**	0.3	**Atlantic Richfield**	0.7
Federated Dept Stores	0.5	**Aluminum Co of Am**	0.3	**Standard Oil Indiana**	0.6
McDonald's	0.5	**Allied Corp**	0.2	**Mobil**	0.5
Consumer durables 4.8 5.1		Capital goods 5.0 5.5		Technology 16.3 17.5	
	% holdings		% holdings		% holdings
General Motors	1.4%	**General Electric**	1.2%	**IBM**	4.1%
Ford	0.7	**Emerson Electric**	0.3	**Digital Equipment**	0.8
Chrysler	0.3	**Westinghouse Electric**	0.2	**Boeing**	0.5
Goodyear Tire & Rubber	0.3	**Caterpillar Tractor**	0.2	**Minnesota Mining & Mfg**	0.5
Whirlpool	0.2	**Signal Cos**	0.2	**Hewlett-Packard**	0.5
Transportation 3.4 3.5		Utilities 8.2 7.3		Finance 10.4 10.3	
	% holdings		% holdings		% holdings
AMR	0.3%	**AT&T**	0.5%	**American Express**	0.7%
Norfolk Southern	0.3	**NYNEX**	0.4	**Citicorp**	0.6
Burlington Northern	0.3	**GTE**	0.4	**Phibro-Salomon**	0.4
Union Pacific	0.2	**Southwestern Bell**	0.4	**American Intl Group**	0.4
UAL	0.2	**US West**	0.4	**Merrill Lynch**	0.3

Plant[1]	Utility	Ownership	Architect/ engineer	Construction manager	Reactor supplier	Total expected cost (billions)	Net capacity (megawatts)	Cost per kw	AFUDC as % of cost	Year ordered	Year of expected service	Gross rate impact[2]
Shoreham[a]	Long Island Lighting Co	100%	Stone & Webster	Utility	General Electric	$4.2	809	$5,192	35%	1967	1985	53%
Midland 2	Consumers Power Co	100	Bechtel	Bechtel	Babcock & Wilcox	4.0	808	4,889	30	1968	Canceled	47
Nine Mile Point 2	Niagara Mohawk Power Co	41	Stone & Webster	Stone & Webster	General Electric	5.1	1,084	4,705	34	1971	1986	19
	NY State Electric & Gas Corp	18										20
	Long Island Lighting Co	18										12
	Rochester Gas & Electric Co	14										28
	Central Hudson Gas & Electric	9										20
Beaver Valley 2	Duquesne Light Co	14	Stone & Webster	Utility	Westinghouse	3.5	833	4,166	33	1971	1986	11
	Ohio Edison	42										17
	Cleveland Electric Illuminating	24										13
	Toledo Edison	20										25
Seabrook 1	Public Service of New Hampshire	36	United Engineers & Constructors	New Hampshire Yankee	Westinghouse	4.5	1,150	3,913	36	1972	1986	65
	United Illuminating	18										32
	Massachusetts Municipal Wholesale	12										—
	New England Power Co	10										6
	Central Maine Co	6										11
	Connecticut Light & Power	4										2
	Others	14										—
Zimmer 1	Cincinnati Gas & Electric	40	Sargent & Lundy	Henry J Kaiser Co	General Electric	3.1	810	3,827	35	1969	Canceled	27
	Columbus & Southern Ohio Electric Co	29										6
	Dayton Power & Light	31										26
River Bend 1	Gulf States Utilities Co	70	Stone & Webster	Stone & Webster	General Electric	3.6	940	3,805	24*	1972	1985	26
	Cajun Electric Power Coop	30										—
Limerick 1[a]	Philadelphia Electric Co	100	Bechtel	Bechtel	General Electric	3.8	1,055	3,602	31	1969	1985	33
Hope Creek 1	Public Service Electric & Gas	95	Bechtel	Bechtel	General Electric	3.8	1,067	3,561	24	1969	1986	25
	Atlantic City Electric Co	5										7
Harris 1	Carolina Power & Light	84	Ebasco	Daniel Intl	Westinghouse	3.0	900	3,333	26	1971	1986	28
	North Carolina Eastern Municipal Power Agency	16										—
Millstone 3	Northeast Utilities	65	Stone & Webster	Stone & Webster	Westinghouse	3.8	1,150	3,326	31	1973	1986	27
	New England Power Co	12										6
	Montaup Electric Co	4										11
	United Illuminating Co	4										6
	Public Service of New Hampshire	3										4
	Central Maine Power	2										3
	Others	10										—
Clinton 1	Illinois Power Co	82	Sargent & Lundy	Baldwin Associates	General Electric	3.1	950	3,305	25*	1973	1986	58
	Soyland Power Coop	10										—
	Western Illinois Power Coop	8										—
Vogtle 1, 2	Georgia Power Co	46	Southern Services/ Bechtel	Utility	Westinghouse	7.2	2,200	3,273	34*	1971	1987, '88	11
	Oglethorpe Power Corp	30										—
	Municipal Electric Authority of Georgia	23										—
	City of Dalton	1										—
Perry 1	Cleveland Electric Illuminating Co	31	Gilbert	Utility	General Electric	3.9	1,205	3,270	30	1972	1985	18
	Ohio Edison Co	30										14
	Toledo Edison	20										28
	Duquesne Light Co	14										12
	Pennsylvania Power	5										3
Marble Hill 1, 2	Public Service of Indiana	83	Sargent & Lundy	Utility	Westinghouse	7.0	2,260	3,097	50	1974	Canceled	120
	Wabash Valley Power Assn	17										—
Fermi 2	Detroit Edison Co	83	Utility	Daniel Intl	General Electric	3.4	1,100	3,068	31*	1968	1985	22
	Wolverine Power Supply Coop	17										—
Washington Nuclear 2[c]	Washington Public Power Supply System	100	Burns & Roe	Bechtel	General Electric	3.4	1,100	3,045	—	1971	1984	—
South Texas 1, 2	Houston Lighting & Power Co	31	Bechtel	Ebasco	Westinghouse	7.5	2,500	3,000	27	1973	1987, '89	12
	City Public Service of San Antonio	28										—
	Central Power & Light Co	25										13
	City of Austin	16										—
Grand Gulf 1[b]	Middle South Utilities	90	Bechtel	Bechtel	General Electric	3.4	1,250	2,724	46*	1972	1985	20
	South Mississippi Electric Power	10										—
Callaway 1[b]	Union Electric	100	Bechtel	Daniel Intl	Westinghouse	3.0	1,150	2,609	37	1973	1985	42
Wolf Creek	Kansas Gas & Electric Co	47	Bechtel/ Sargent & Lundy	Daniel Intl	Westinghouse	2.9	1,150	2,522	32	1973	1985	62
	Kansas City Power & Light Co	47										44
	Kansas Electric Power Coop	6										—
Waterford 3[a]	Louisiana Power & Light Co	100	Ebasco	Ebasco	Combustion Engineering	2.7	1,104	2,473	21	1970	1985	18
Diablo Canyon 1[b], 2	Pacific Gas & Electric	100	Utility	Utility	Westinghouse	5.4	2,190	2,466	34	1966, '68	1985, '85	25
Palo Verde 1[a], 2, 3	Arizona Public Service	29	Bechtel	Bechtel	Combustion Engineering	9.3	3,810	2,441	37	1973	1985, '86, '87	56
	El Paso Electric Co	16										89
	Southern California Edison	16										6
	Public Service of New Mexico	10										42
	Salt River Project	23										—
	SCA Public Power Authority	6										—
Bellefonte 1, 2	Tennessee Valley Authority	100	Utility	Utility	Babcock & Wilcox	5.7	2,664	2,134	40	1970	1989, '91	—
Susquehanna 2[b]	Pennsylvania Power & Light Co	90	Bechtel	Bechtel	General Electric	2.2	1,050	2,095	31	1968	1985	29
	Allegheny Electric Coop	10										—
San Onofre 3[c]	Southern California Edison	75	Bechtel	Utility	Combustion Engineering	2.3	1,100	2,045	40*	1970	1984	7
	San Diego Gas & Electric Co	20										7
	City of Anaheim	3										—
	City of Riverside	2										—
Byron 1[a], 2	Commonwealth Edison	100	Sargent & Lundy	Utility	Westinghouse	4.2	2,240	1,866	39	1971	1985, '86	16
Braidwood 1, 2	Commonwealth Edison	100	Sargent & Lundy	Utility	Westinghouse	4.1	2,240	1,835	43	1972	1986, '87	16
Catawba 1[a]	Duke Power	25	Utility	Utility	Westinghouse	3.9	2,290	1,703	35	1972	1985	7
	North Carolina Electric Membership Corp	56										—
	Saluda River Electric Coop	19										—
Catawba 2	No Carolina Municipal Power Agency #1	75									1986	—
	Piedmont Municipal Power Agency	25										—
Comanche Peak 1, 2	Texas Utilities Electric Co	88	Gibbs & Hill	Brown & Root	Westinghouse	3.9	2,300	1,696	24	1972	1985, '86	18
	Texas Municipal Power Authority	6										—
	Brazos Electric Power Coop	4										—
	Tex-La Electric Coop of Texas	2										—
Watts Bar 1, 2	Tennessee Valley Authority	100	Utility	Utility	Westinghouse	3.9	2,354	1,672	33	1970	1985, '87	—
Summer 1[c]	South Carolina Electric & Gas	67	Gilbert	Daniel Intl	Westinghouse	1.3	900	1,446	24	1971	1984	25
	South Carolina Public Service	33										—
LaSalle 2[b]	Commonwealth Edison	100	Sargent & Lundy	Utility	General Electric	1.1	1,078	1,020	22	1970	1984	4
McGuire 2[c]	Duke Power	100	Utility	Utility	Westinghouse	1.1	1,180	932	33	1969	1984	3

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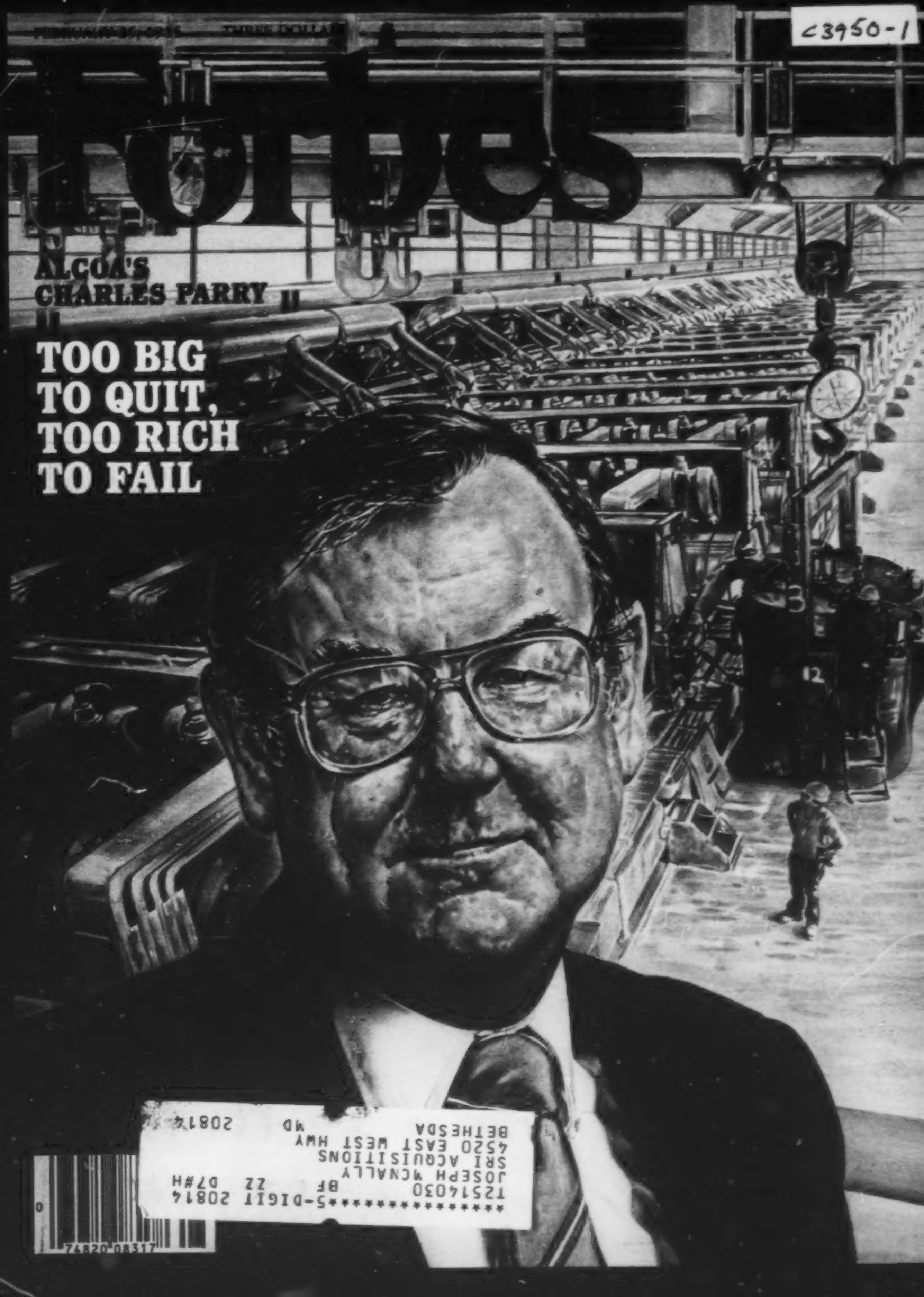
Forbes



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Forbes

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February 25, 1985 Volume 135 Number 4 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1985 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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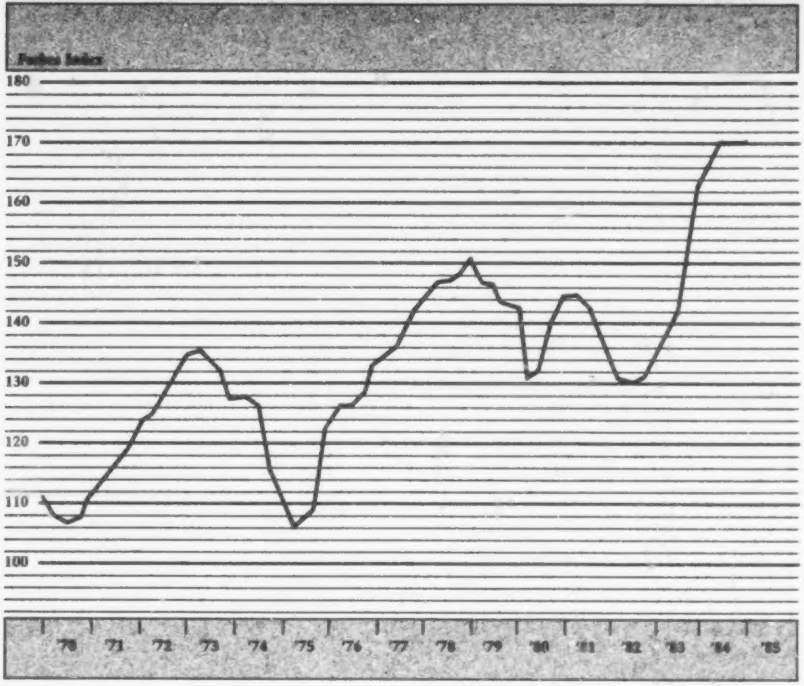
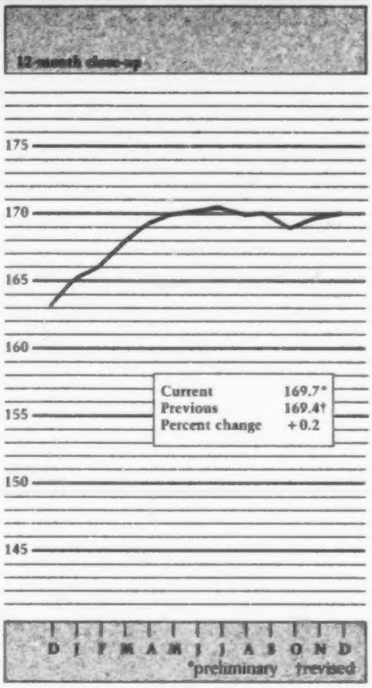
Cover illustration: Bradford Brown

The Forbes Index



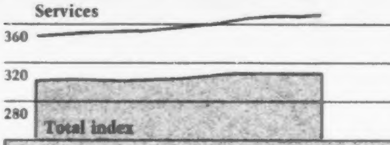


An uptick, but barely. Uneven performance in several components held the Forbes Index to a gain of only 0.2%. New unemployment claims decreased 2% from the previous month. The news on inflation was also encouraging. The Consumer Price Index rose less than 0.1% in December, and for all of 1984 it was up only 4%. The services component of the CPI, which includes such expensive items as hospital care, was not quite as tame. It showed a 5.4% gain for the year. Nevertheless, recent inflation levels continue to be significantly lower than they were during the late 1970s and early 1980s. Meanwhile, manufacturers' new orders were off 2.9% from the previous month, but inventories rose 0.4%. And new housing starts were 21.6% lower than they were one month earlier.

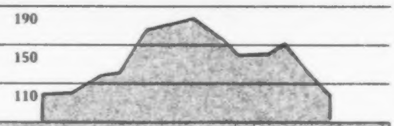
The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

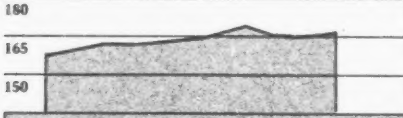
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



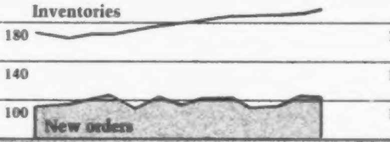
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



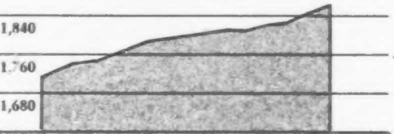
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



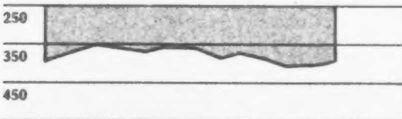
Industrial production index (1967 = 100)
Seasonally adjusted (Federal Reserve)



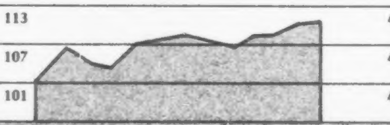
Manufacturers new orders and inventories
($billions) seasonally (Dept. of Commerce)



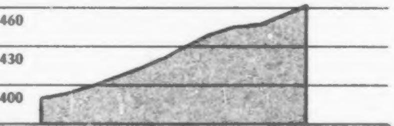
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

There are institutions that look and sound like banks and promise depositors high interest and safety. But some promises are always too good to be true.

As good as their word

By Barry Stavro

A FEW WEEKS AGO *60 Minutes*, the TV show, told the tragic tale of the depositors of the Commonwealth Savings Co., Nebraska's largest industrial loan and investment company. It failed in November 1983. The 6,700 depositors had $58 million in what they thought were insured accounts, up to $30,000 each. They thought it was a bank, and in most ways but name and legal definition, it was. Banks are supposed to be insured. But Commonwealth's insurance fund failed, too, and those depositors are still waiting to get their first dollar back.

60 Minutes did a solid piece on the nastiness in Nebraska, but the problem is bigger than this one bank. Eighteen states have these no-bank banks, for lack of a better term. Sometimes they are called industrial banks or industrial loan companies. Whatever the name, they usually offer tempting interest rates, have about $4 billion in deposits that aren't federally insured by either the FDIC or FSLIC and, as too many depositors are learning—the hard way—too many industrial banks too often go bust.

FORBES counts 13 that have failed or filed for bankruptcy in less than three years. They had $363 million in what passes for deposits. So far, depositors have collected $108 million back.

Industrial banks are a holdover from the pre-Depression state banking system, starting off much like small loan finance companies. But in recent years major bank holding companies like Citicorp and finance companies like Household International have created them, too.

Most of these no-bank banks don't come under federal regulations, and the state inspectors don't seem particularly eagle-eyed, either. Nimbly exploiting slack statutes and loose language, they may take in various deposits by calling them "thrift certificates" or "investment certificates." Inevitably, to cover the higher interest they offer, they make risky loans—second and third mortgages, say, and signature loans.

That makes for high returns. In Iowa last year the average rate on industrial bank loans was an extraordinary 26%. That's why higher rates to savers are promised.

You might think savers would take those fat rates as a danger sign. On the contrary. A lot of savers think anything that looks like a bank must be a bank, and, after all, aren't all banks insured by the federal government?

Not always. Some industrial banks have no insurance. Others have private insurance, but as recent history shows, all too often it's not enough.

Industrial bankers claim they will explain the differences to customers—if they are asked. "However," says Richard Young, president of Topa Thrift & Loan Association, one of California's bigger ($99 million assets) and more conservative industrial loan companies, "if somebody walks in and says they'd like to open up a $50,000 certificate, our people are not instructed to jump up and down and say, 'Hey, but did you realize that this insurance that we have is not as good as on the federal level?' "

Some industrial banks are failing because inflated real estate loans go bad, some because of stealing. Some cynics even think regulated banks might be setting up industrial banks to funnel off their bad loans. Sure, regular banks are going broke, too, but then most depositors quickly get all their money back.

Back in 1971 a private insurance fund was established in California by member industrial loan companies, and other states followed. Unfortunately, it's often paper insurance and not backed by state guarantees.

The failures

These institutions may have looked like banks, and even acted like banks, but they had no federal deposit insurance. Too many depositors learned that, the hard way, after these institutions failed.

Institution	State	Date failed	Depositors	Amount "insured" (millions)	Repaid so far (millions)
Commonwealth Savings	Nebraska	November 1983	6,700	$58.0	$0.0
Western Community Money Center	California	April 1984	12,000	93.0	22.5
Menoa Finance	Hawaii	February 1983	6,900	33.9	11.3
Great Hawaiian Financial	Hawaii	February 1983	2,500	6.6	2.2
American Securities & Loan	Iowa	August 1984	2,800	5.0	3.0
Murray First Thrift & Loan*	Utah	July 1982	16,000	47.0	47.0
Delta Industrial Bank	Colorado	August 1984	352	1.4	1.4
Gunnison Industrial Bank	Colorado	August 1984	1,018	2.8	2.8
Empire Finance Co of Louisville†	Kentucky	July 1983	84	2.0	0.0
BFC Financial Plan†	Kentucky	April 1984	160	1.7	0.0
Southern Industrial Banking Corp†	Tennessee	March 1983	5,500	52.0	18.0
Republic Financial Corp†	Oklahoma	September 1984	1,200	23.0	0.0
Republic Trust & Savings Co†	Oklahoma	September 1984	3,200	36.0	0.0

*The state arranged the sale of Murray's assets to a commercial bank, which agreed to repay depositors.
†Not insured.

When Nebraska's Commonwealth Savings failed, thanks to a spider's web of insider loans and a horrendous portfolio of second and third mortages, its depositors thought they could rely on the Nebraska Depository Institution Guaranty Corp. The NDIGC, it turned out, had only $2 million cash in its deposit insurance kitty, not enough to cover its share of Commonwealth's $58 million, so it went bust, too. Now depositors are facing a sorry 50-cent return per dollar after liquidating Commonwealth Savings' assets.

Similar institutions have failed in eight other states *(see table)* in the past few years. Three states—Kentucky, Tennessee and Oklahoma—had no insurance fund at all. Even in states with insurance, the repayment is just trickling in. Only in Colorado has the insurance fund paid account holders in full up front.

Look at what is happening in California. When the Western Community Money Center, based in Walnut Creek, failed (inflated appraisals on bad real estate loans) last April, with $93 million in "insured" accounts, its 12,000 depositors were covered up to $50,000 per account. But, in fact, the depositors had to wait six months to get about 25 cents on their dollar. More money will have to come from further liquidation of Western's assets. It could take four years to get all their principal back. And forget about lost interest.

But they are lucky. The California Thrift Guaranty Corp., the insurance fund for these industrial loan companies, is left with about $14 million in its kitty, while the insured accounts of its state members total about $1.5 billion. "It's not intended to pay the account holders up front to full dollar value at the point of closure," says Roger Duerksen, executive vice president of the California Association of Thrift & Loan Cos., a trade group. How much would you bet that this was perfectly clear to every customer?

Retirees invested nearly $3 million at Western, attracted by the 1-to-3-point premiums. How did Western, which scooted from $5 million to $120 million assets in just two years, handle questions on insurance? Says Jack Carlson, assistant commissioner of California's Department of Corporations: "They said, 'It's protected by Thrift Guaranty Fund.' When an investor would ask, 'What's Thrift Guaranty?' the company would say, 'That's just like FDIC.' "

In Iowa a failed industrial loan company turned out to own a good percentage of three Colorado banks that were all closed by the FDIC, some Orange Julius franchises in Alabama, a timber company and an auto body shop, says Bill Hawthorne, acting director of Iowa's Financial Institutions Division.

In Tennessee, Jake Butcher's United American Bank of Knoxville was shuttling loans into his brother's Southern Industrial Banking Corp., an industrial loan company. They both went down. Southern's creditors were owed some $52 million, most of that coming from investment certificates. Those investors with less than $5,000 got their money back; the rest have received about 30 cents on the dollar so far.

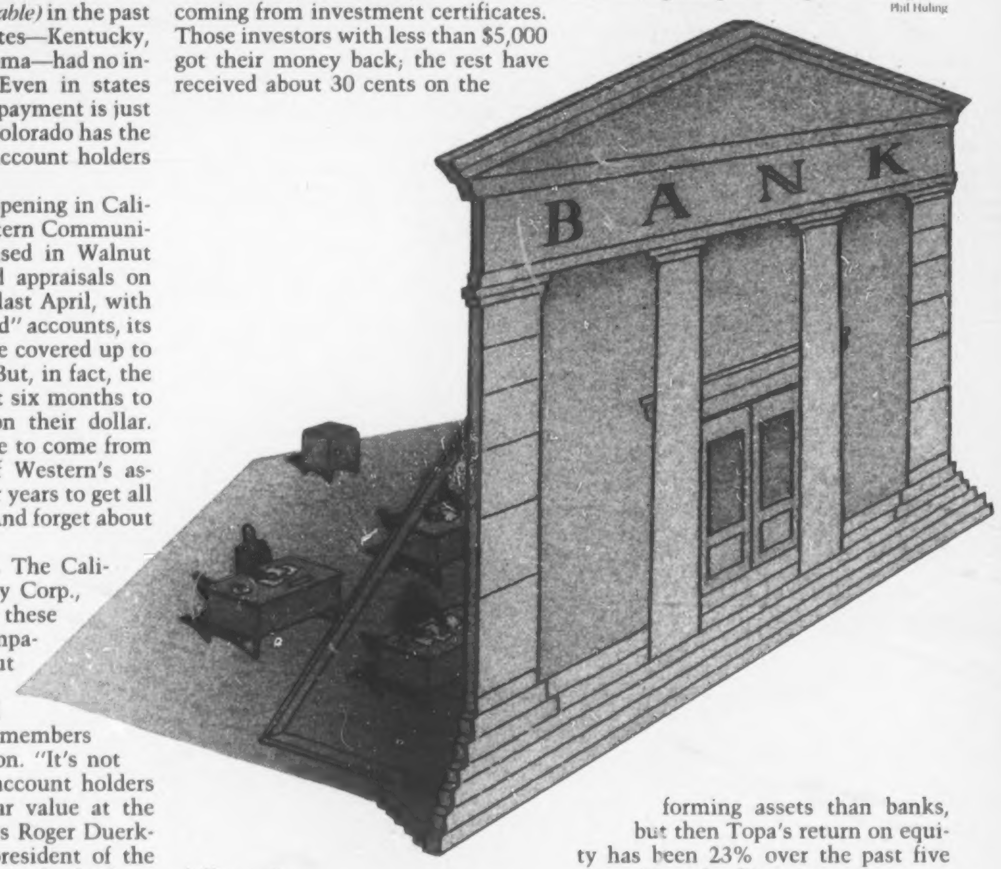
Industrial banks have been eligible to apply for FDIC insurance since 1982. Most don't want the stricter supervision on their investments and risky loans that come with federal regulation. Of the problem states, only Hawaii has taken action to discipline the industrial banks. Two small industrial loan companies having failed there in 1983 with a total of $40 million in so-called insured accounts (with only $14 million repaid to date), Hawaii now insists that deposit-taking industrial banks must have federal insurance.

In California federal insurance is still only an option. Sixty-five industrial loan companies there, with combined deposits of $1.5 billion, are still privately insured—with that $14 million fund—but nine have FDIC insurance, and others, including Topa Thrift, have applied.

Richard Young of Topa can make a case for these no-bank banks. They often take greater risks and cater to customers who might be self-employed or who need a fast loan decision or who have a shaky credit history—customers that other banks would probably turn down. Yes, Topa has a higher percentage of nonperforming assets than banks, but then Topa's return on equity has been 23% over the past five years. Big risks, big gains.

"If we became a member of the FDIC system, it might work, but it would change the way we do business," Young says. And he adds: "Because the way we do business is extremely successful, I'm not anxious to change." If the publicity about failing industrial banks grows, he also says, federal insurance would be better than going out of business.

There is a place for those who want to take bigger risks for bigger returns. But only when it's certain, absolutely certain, that every person taking the risk understands it. That doesn't seem true now. ■



Phil Huling

Some cable-TV systems are about to enter a promised land, where costs decline as revenues rise. Others will continue to struggle. Here's how to tell one kind from the other.

Fat, wired cats

By Alex Ben Block

FOR A BUSINESS that is supposed to be in big trouble, cable television is getting surprisingly strong support in the stock market. An index of 17 leading cable stocks compiled by Paul Kagan Associates of Carmel, Calif. has climbed 37.4% since last May, vs. 13% for the Dow Jones industrials. A handful of operators, notably Adams Russell Co., United Cable Television Corp. and Comcast Corp., have done far better.

What's going on? Paul Kagan, dean of cable-TV analysts, thinks some cable operators are entering a new phase. "Cable systems," he says, "are typically lucrative in the franchising stage, ailing in the construction phase and fat cats when they mature." Many of the country's 6,800 cable systems, Kagan thinks, are now reaching the fat cat stage.

Cable industry revenues for 1984 reached almost $8 billion, according to Bill Daniels & Associates of Denver, with profits before taxes of $800 million. That's up from 1983 revenues of $6 billion and profits of about $400 million. It's a quantum leap from 1982, when Kagan's Sharon Armbrust estimates cable lost around $200 million on revenues of $4.7 billion.

"The leverage in this business is really spectacular," says Daniel L. Ritchie, chairman and chief executive officer of Westinghouse Broadcasting & Cable, which operates Group W

Wired for profit

All of these public companies can show strong earnings growth . . . *if* they can add new subscribers. Even with the recent market runup, these companies still trade at a substantial discount from their liquidation values.

					Per share[2]					
Cable operator/ parent	Head-quarters	Basic subscribers	Homes passed	Penetration rate[1]	earnings	cash flow	long-term debt	Cable as % of parent's revenue	Recent price	Liquidation[3] value
Adams Russell Cable Adams Russell Co	Waltham, Mass	139,102	260,000	54%	$ 1.28	$ 3.30	$ 7.31	30%	26¼	$ 43
Capital Cities Cable Capital Cities Comm	Bloomfield Hills, Mich	365,000	597,000	61	10.05	15.00	16.54	9	177½	253
Comcast Cable Comm Comcast Corp	Bala Cynwyd, Pa	474,900	838,500	57	0.87	2.31	7.84	85	23½	38
Cox Cable Comm Cox Comm	Atlanta, Ga	1,553,305	2,735,894	57	3.09	4.17	6.40	55	55⅛	107
Heritage Cable Heritage Comm	Des Moines, Iowa	440,550	784,736	56	0.58	3.48	10.69	44	19¾	39
Jones Intercable Jones International	Denver, Colo	431,672	700,732	62	0.30	0.67	3.52	100	5	11
Multimedia Cablevision Multimedia	Wichita, Kans	263,708	471,000	56	2.13	3.36	4.98	22	43	67
Rogers Cable Systems Rogers Cable Systems	Toronto, Canada	600,000	1,100,000	55	–0.86*	1.13*	33.76*	100	6⅝	11
Scott Cable Comm Scott Cable Comm	Irving, Tex	55,200	79,200	70	0.58	1.38	4.49	100	5½	14
Storer Cable Comm Div Storer Comm	Miami, Fla	1,502,731	2,758,622	54	–1.90	9.59	45.37	65	51½	92
Tele-Comm Tele-Comm Inc (TCI)	Englewood, Colo	2,766,000	5,045,000	55	0.42	22.00	2.60	100	24¾	40
Amer TV & Comm Corp Time Inc	Denver, Colo	2,400,000	4,400,000	55	3.17	NA	6.12	20E	48	77
Tribune Cable Comm Tribune Co	Mahwah, NJ	185,000	382,000	48	2.51	4.54	6.65	2	35¼	67
United Cable TV United Cable TV Corp	Denver, Colo	759,000	1,393,000	54	0.15	1.72	15.18	100	32⅝	54
Viacom Cable Viacom International	Pleasanton, Calif	790,000	1,400,000	56	2.54	4.52	21.54	48	38⅝	78

[1] Percentage of basic cable subscribers among those offered service. [2] For latest 12 months reported. [3] Data from Paul Kagan Associates *Cable TV Investor Newsletter*. * Canadian dollars. E: Estimate. NA: Not available.

Static in Santa Cruz

A new federal law recently took effect guaranteeing a cable company that its franchise cannot be canceled so long as it provides "reasonable" service. The first serious test of that law, passed after years of lobbying by the cable industry, is now shaping up in Santa Cruz, Calif.

Santa Cruz, 74 miles south of San Francisco, has a 12-channel system built in 1955-56 to overcome reception problems caused by the Santa Cruz Mountains. When Westinghouse's Group W bought Teleprompter in 1982, the Santa Cruz franchise came with it. So did a group of local residents angry about the quality of service. Group W offered to invest $20 million to rebuild the 209,000-home franchise, but local officials wanted more. After years of unhappiness, they insisted on strong protection measures to insure service standards. The local officials also proposed that the city and county own the system, which would then be leased back to Group W to operate. Negotiations to renew the franchise broke down completely last fall.

The city and county then played what they thought was the winning card: They threw the franchise open to new bidders. Thanks to the new cable law, however, Westinghouse is not yet out in the cold. In a suit filed against the city and county of Santa Cruz, Group W claims that the law protects the franchise unless and until the courts hold Group W has not provided reasonable service. In the meantime, Group W has begun the first phase of rebuilding the system. Santa Cruz officials say the federal law doesn't apply. But litigation could take years. The city fathers just might prefer to settle with the operators for what they can get now.—**A.B.B.**

Cable. "If you add a customer, your revenue goes up by $20 a month, but costs may only go up $3." By that rule of thumb, if revenues should climb to $19.2 billion by 1990, as Kagan projects, the cash generated by cable operators should be immense—perhaps $10 billion annually.

With such prospects before them, it's no surprise that many cable operators who had been preoccupied in their ailing years with laying wires are now turning their attention to better marketing. There is still plenty of room to grow. In most large urban areas only about 45% of potential customers have signed up. To the extent that salesmen can boost penetration rates, leverage will lift profits even higher.

Congress, too, has made life sweeter for cable TV. Last October it passed a law (effective Dec. 29, 1984) that may protect cable operators from local politicians' particular notions about service *(see box)*. The new law also allows cable operators to raise basic monthly service rates by 5% this year, by 5% next year, and by as much as the market will bear from 1987 onward. Cable, in effect, will become a kind of unregulated monopoly.

This new freedom in pricing the basic service is especially important because it will help offset the public's lukewarm response thus far to the add-on programming services. Cable operators usually split increases in pay-TV programming fees with the program provider—HBO, say. But when the operator raises the basic rate, he keeps it all. "The new law is the greatest windfall ever for cable," says James A. Parsons, vice president and head of entertainment industry lending for Bank of America in Los Angeles. Parsons estimates the new federal legislation instantly added $100 to $150 per subscriber to many cable systems' values, at a time when even relatively small cable systems were selling for $850 per subscriber.

But not all companies are alike. The cable systems growing into fat cats are those already up and running, particularly those in affluent suburban communities or areas with reception problems. In contrast are some recently won franchises in urban areas that are hurting, many badly.

The newer players in the cable game have two problems. First, cable's basic subscribers—currently just over 35 million homes, or 40% of all TV households—are growing at less than expected rates. Second, and more menacing, a goodly number of competitors are now stuck with the extravagant, even wholly unrealistic, promises they made in order to win the right to wire the biggest U.S. cities. Sacramento's city fathers, for example, initially demanded that the franchisee plant 20,000 trees. In a St. Louis area franchise the winning cable company was told to donate either 20% of its stock or $1 million a year to a nonprofit company that then distributed the proceeds to various social services. The city of Miami tried to get a cable company to pay for an annual antidrug campaign. The demand was dropped only after the FCC ruled it exceeded franchise fee limits.

As a result, some franchise winners have yet to find the capital they need to get going. Example: In 1983 Scripps-Howard Broadcasting of Cleveland, Cablevision Systems Development of Woodbury, N.Y. and a group of local investors won the bidding to wire 330,000 homes in Sacramento. Cablevision, which owns a dozen other systems, anticipated raising its share of the total $166 million cost from limited partnerships, as it had successfully done to fund systems on New York's Long Island and elsewhere. But when Cablevision began seeking investors to put up its first payment of $34 million, due this past Dec. 31, it ran into a wall. "It's been almost impossible to raise money by limited partnerships or almost any other route for urban cable," grumbles Charles F. Dolan, 58, general partner of Cablevision, the largest privately owned U.S. cable company. After missing its scheduled payment, Cablevision was cut out of the Sacramento deal. Scripps-Howard is deciding whether to go it alone or seek a partner. Dolan also has run into trouble building Cablevision's Boston franchise.

Another operator with problems is Warner Amex Cable Communications, a partnership between Warner Communications and American Express. It did extremely well in the franchising wars in big cities such as Dallas, Cincinnati and Pittsburgh by promising to build sophisticated two-way cable systems called Qube. Unfortunately, the cost to build in urban areas was higher than expected, and subscriber sign-ups ran well below projections. Warner Amex' income statement began to hemorrhage. So in 1983 the partners brought in Drew Lewis, Ronald Reagan's tough-minded Secretary of Transportation, to turn Warner Amex around. Since then he has fired most of the headquarters staff and farmed out many of their duties to various affiliates. He spun off 34% of the programming side of the operation (for $75 million), which included the successful MTV: Music Television, as a separate public company. Warner Amex currently has 104 cable systems. By the time he's done pruning, in a year or so, Lewis says, it could well be down to 80 or 90 systems. When it does become profitable, he adds, it's likely Warner Amex also will be spun off as a separate

Joyce Reid

Westinghouse Broadcasting & Cable's Daniel L. Ritchie
"The leverage in this business is really spectacular."

public company.

Who is buying the cable franchises being sold? One of the systems Warner Amex shed was in Pittsburgh. It was sold to Tele-Communications Inc. (TCI), based in Englewood, Colo., the nation's largest cable system operator, for $92 million in cash and notes, or $1,200 per subscriber. Why was TCI willing to pay so much for a troubled franchise? TCI Chairman Robert Magnus says he isn't looking for present earnings but, rather, for a steady buildup of long-term values. Moreover, he says, it was a good fit. TCI already operated most of the suburban and rural franchises around western Pennsylvania, so it was able to save money by "clustering" such services as billing, marketing and customer installations.

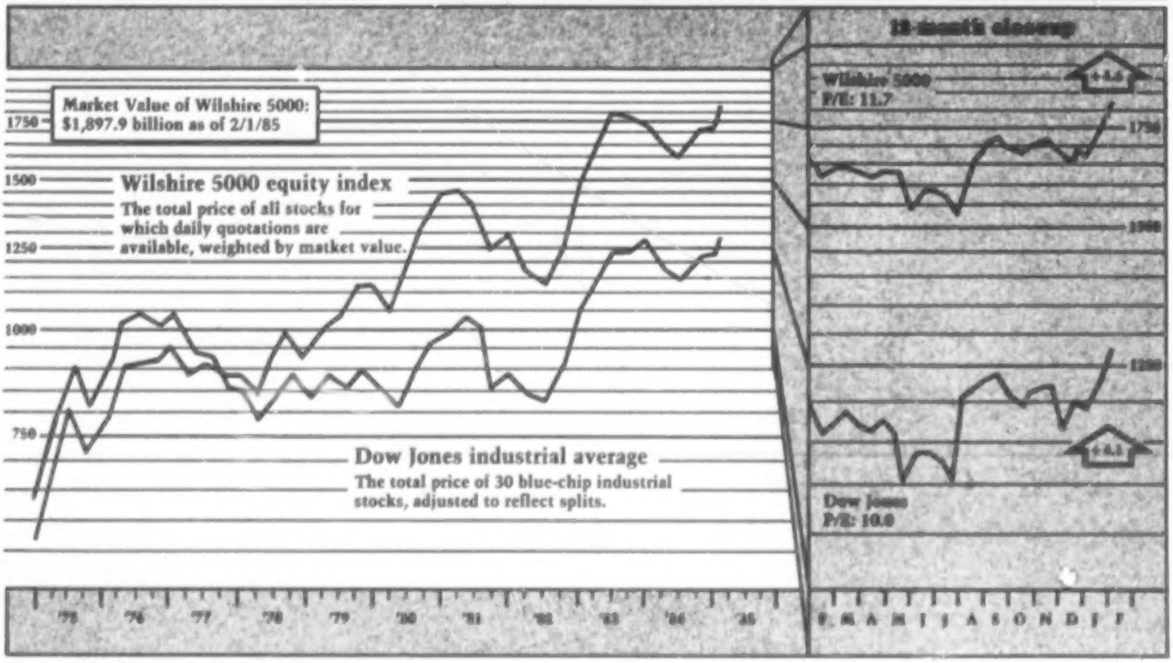
TCI's smartest move, however, has been political. Before buying out Warner Amex, TCI renegotiated the terms of the franchise with Pittsburgh officials, Magnus and TCI's president, John C. Malone, persuading them to let TCI scrap Warner Amex' two-way Qube system, which costs about $1,200 per customer, including sophisticated electronic gear for the headquarters, and substitute a less expensive, one-way system that costs about $120 per subscriber. "You don't get a 747 when you need a 727," says Magnus.

All in all, then, sophisticated investors now see cable as a two-tier industry. Operators in the newer franchises, like Warner Amex and Cablevision, have formidable troubles. But a lot of operators of older systems are entering the promised land of rising revenues, a stable customer base and declining costs. As cable systems' losses turn to profits and then bigger profits, says Denver-based cable analyst and consultant Paul Bortz, "they could become takeover targets."

That, evidently, is what the stock market believes. ■

Edited by Steve Kichen

The Forbes/Wilshire 5000 Review



Off to a good start. With January already history, investors had plenty to smile about. The market continued to show considerable strength as volume remained strong, advancing issues outpaced declining issues and dozens of shares hit 52-week highs. Secondary stocks, on the rebound from their long slump, led the market. During the last two weeks the Amex composite topped major indicators with a 6.1% advance, but the NASDAQ was a close second with a 5.8% gain. Meanwhile, the blue-chip Dow hit its alltime high and flirted with the 1300 level before winding up with a 4.1% increase. The overall market, as measured by the Wilshire index, rose 4.6% during this stretch. Their recent gains notwithstanding, secondary issues still have plenty of ground to make up. The Forbes 500 is ahead 11.7% for the 52-week period, but the NASDAQ and the Amex—with respective gains of 5.4% and 5%—fared less than half as well.

The Wilshire index is some 10.3% higher than it was a year ago; over the recent four-week period the Wilshire gained some $164 billion in total market value. During this time the P/E on the Wilshire jumped from 10.8 to 11.7, an 8% increase. In contrast, the 30-stock Dow industrials are selling at 10 times latest 12-month earnings, while the Forbes 500 sport a multiple of 10.2.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	9.8	9.0	7.8	9.1	10.8	13.0
in last 52 weeks	10.3	11.7	6.7	11.0	5.0	5.4

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	9.8	14.5	18.6	7.5	14.8	9.8	6.7	16.8	13.9	8.3	8.4	16.0
in last 52 weeks	12.1	0.7	1.7	18.2	–3.9	14.7	14.8	2.7	–1.1	17.2	15.4	–8.0

[1] Based on sales.

[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more table.

[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

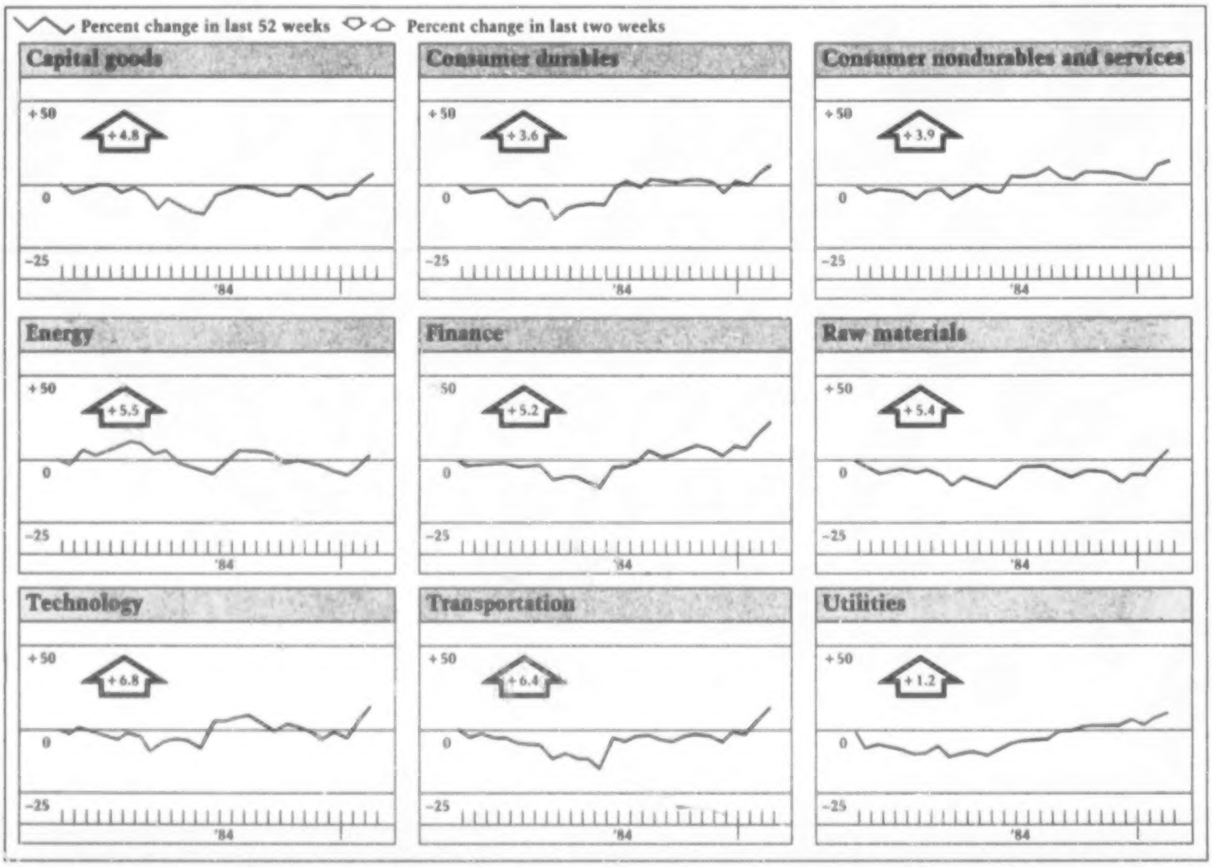
Note: All data for periods ending 2/1/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

High marks for technology. After months of being battered harder than the other Wilshire sectors, technology stocks appear to have turned the corner. They show the best two- and four-week performance of the lot, with respective gains of 6.8% and 13.9%. Not far behind are transportation shares, which take second-place honors for both the two-week and four-week stretches. Here the railroad and trucking stocks have been strong enough to overcome the recent weakness of airline shares.

During the last two weeks the raw materials and finance sectors posted gains of more than 5%. At the bottom were utility shares, with only a 1.2% increase. These defensive stocks led the market in 1984, but investors now seem willing to take greater risks.



What The Analysts Think

A last look at 1984. Now that the trickle of 1984 earnings reports is turning into a flood, security analysts are making their final adjustments of 1984 earnings projections. In these last few days pessimism continued to reign. Companies in raw materials and consumer durables show the largest cutbacks, utilities the smallest.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.78	10.2
1984 estimates	3.89	10.0
1985 estimates	4.52	8.6

Rank based on change in estimate	Sector	Estimated 1984 EPS	Estimated 1984 P/E	% change in 1984 estimate in 2 weeks	% change in 1984 estimate in 4 weeks
1	Utilities	$3.32	7.4	-0.11%	-0.20%
2	Consumer nondurables	2.40	11.5	-0.45	-1.34
3	Transportation	2.60	9.6	-0.55	-1.90
4	Capital Goods	2.94	12.2	-0.57	-0.93
5	Technology	2.73	11.9	-0.57	-1.41
6	Energy	3.72	7.8	-0.71	-1.07
7	Finance	2.86	10.2	-0.91	-0.42
8	Consumer durables	4.60	8.4	-1.14	-1.94
9	Raw materials	2.25	10.6	-1.33	-2.38

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 2/1/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Managers with inside holdings have an extra incentive to work harder for themselves and other stockholders.

On insiders' coattails

By Steve Kichen and Leslie Pittel

HEFTY PAYCHECKS and cash bonuses are enough to keep many executives working 12-hour days. But when top management also has a sizable equity stake there can be even greater incentives to increase profits and productivity. For starters, if executives are counting on their company stock to get the kids through college, buy the summer house or cover that vacation in the Caribbean, they will work harder to keep its value up. Furthermore, a company that can maintain a high stock price is less susceptible to a hostile takeover.

And later, should a takeover offer come along or management find itself in a position to initiate a takeover, insiders with large shareholdings have a vested interest in bargaining for the highest possible price. In the recent acquisitions of Getty Oil, Prentice-Hall and Gulf, managers and family insiders held out for better offers, benefiting not only themselves but outside shareholders as well.

Then there is the leveraged buyout, a route used by some bosses to enrich their own pockets, avoid public accountability or thwart a hostile acquisition. Canandaigua Wine, Josephson International, Amstar, Dr Pepper, Guardian Industries, Multimedia and Metromedia are among those firms whose managements recently took or are proposing to take their holdings private.

If managers hold a comfortable majority of the shares, they may be less accountable to other shareholders or less likely to receive an overly generous buyout offer. On the other hand, if management owns less than half but attempts a leveraged buyout, even a stingy offer may help outside holders. It could spark off a competing offer, as was the case in the summer of 1983 when Esmark acquired Norton Simon for $35.50 a share, following an initial offer of $29 per share from Norton

Will management work harder here?

Insiders hold between 10% and 40% of the outstanding stock of these 37 firms. If they have a selfish interest in boosting share values, that may work to the benefit of outside holders. These issues are reasonably priced, with an average P/E of 10.7, vs. 11.7 for the Wilshire index. The priciest firm sells at a few pennies more than two times book value, while 7 firms sell at or below book value, and none is highly leveraged.

Exch	Company	Insider holdings	Recent price	Latest 12-month EPS	P/E	Yield	Current ratio	Book/ share	Debt/ equity	Sales (millions)
o	Aceto Chemical	39%	25	$2.42	10.3	—	3.17	$17.00	14%	$96.4
n	Airborne Freight	15	22¾	1.78	12.8	2.6%	1.36	12.81	24	334.8
n	Aro Corp	32	30¼	3.18	9.5	4.0	6.66	23.66	15	84.2
n	Belding Heminway	17	16⅛	1.84	8.8	2.5	2.49	15.92	20	113.6
n	Burndy	21	16½	1.04	15.5	5.2	2.20	10.86	12	211.5
o	CPT	16	7⅝	0.83	9.2	—	4.13	7.77	34	200.3
n	Chesapeake Corp of Virginia	21	35¼	2.93	12.0	3.5	2.49	29.59	28	273.8
n	Coleman Co	25	29	2.82	10.3	4.1	2.48	23.28	24	382.3
n	Commercial Metals	33	17¾	1.37	13.0	2.0	2.01	19.53	27	1,170.9
n	Conrac	18	14⅜	1.05	13.7	2.8	1.69	11.58	11	141.1
o	Cordis	14	8⅛	1.09	7.5	—	2.96	7.57	49	203.8
a	Cubic Corp	32	20½	1.77	11.6	1.9	3.33	12.59	24	273.2
n	Cummins Engine	16	87½	19.02	4.6	2.5	1.71	53.35	45	1,604.7
n	Ethyl Corp	22	35⅝	3.19	11.2	2.4	2.41	19.62	49	1,745.2
n	Firestone Tire & Rubber	22	18⅞	1.69	11.2	4.2	1.57	26.66	24	3,866.0

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Sources: CDA Investment Technologies; The Value Line Investment Survey; *Standard & Poor's Stockpak-II System, Forbes.*

Statistical Spotlight

Simon's management.

We decided to put together a list of firms with insider holdings of 10% to 40%. We excluded firms with over 40% insider holdings, figuring that management that already owns close to half of a company is so well entrenched that it need fear no proxy challenge. Since we were seeking companies with potential value that could ultimately be recognized in higher share prices or a takeover offer, we eliminated firms that sell at more than two times book value or have a P/E multiple higher than 16 or a debt-to-equity greater than 85%. We also listed only those firms that have been profitable over the latest 12 months.

But looking for firms with large insider holdings is no simple feat. Duplicate or even triplicate filings that are on record with the SEC, joint holdings, convertible debt and equity, different classes of stock and restricted voting rights accounted for wide discrepancies in published figures on insider holdings. After some culling we ended up with the following list of 37 companies.

With the market on a roll since the start of the year, we were surprised to find as many as seven of our firms selling under book value (although three of this group, CPT, Huffy and Unifi, are priced only a few pennies from book). Firestone Tire & Rubber—the largest firm in the table—shows the steepest discount from its book value. In addition, more than half of the companies on our list have lower multiples than the overall market P/E, which is 11.7 on the Wilshire 5000 index.

When stocks look cheap there is usually a catch. The ones on our list are no exception. Manhattan Industries, for example, has a P/E of 6.9, and for every buck you pay for Manhattan you get almost $1.20 in book value. But this firm is expected to show a loss for the fourth quarter, a result of heavy closeout sales of excess inventories of women's wear.

Jay Meltzer, a textile analyst with Goldman, Sachs, notes, "Manhattan Industries has a low P/E because earnings are coming down. And book value will be eroded by fourth-quarter losses." But Meltzer feels that once this firm balances its inventories with sales it will be able to operate in the black again.

Insiders control only 10% of Planning Research, an engineering and computer services firm, which currently sells near the market multiple. A large NASA contract recently expired, and sales growth could also be dampened by government budget cutbacks. Analysts who contribute to the Institutional Brokers Estimate System are predicting earnings of $1.44 a share for the fiscal year ending this June. That's not as good as the $1.62 the company earned in fiscal 1984 but better than its latest 12-month performance of only $1.22.

Large insider holdings, of course, provide no guarantee that other shareholders will profit handsomely. Owner-managers can drive a firm to bankruptcy about as well as anyone else. In recent years, for example, the likes of Charter Co. and Bobbie Brooks have entered Chapter 11, despite double-digit levels of inside ownership. But when managers have a personal interest at stake, they are likely to work that much harder to make sure that things go right. ■

Will management work harder here?

Exch	Company	Insider holdings	Recent price	Latest 12-month EPS	Latest 12-month P/E	Yield	Current ratio	Book/share	Debt/equity	Sales (millions)
o	**Flexsteel Inds**	22%	15½	$1.61	9.6	3.1%	4.91	$ 9.61	15%	$130.5
n	**General Housewares**	12	10¾	0.87	12.4	2.2	2.93	12.36	30	87.0
n	**House of Fabrics**	34	18¾	1.63	11.5	2.1	1.79	11.44	3	239.6
n	**Huffy Corp**	15	12¼	1.58	7.8	3.3	2.64	12.29	44	272.6
n	**Kollmorgen**	20	21⅜	1.41	15.2	1.5	2.78	10.62	68	260.7
n	**Leggett & Platt**	27	19⅜	2.24	8.6	2.3	2.45	11.57	60	3[illegible].1
n	**Manhattan Inds**	18	15¾	2.27	6.9	1.9	2.29	18.89	61	433.0
o	**MTS Systems**	14	17½	1.41	12.4	1.4	1.92	13.07	37	74.8
n	**National Presto Inds**	16	28	2.10	13.3	3.6	8.94	20.46	4	103.6
n	**Outboard Marine**	12	27	3.02	8.9	2.4	2.57	21.35	25	921.6
n	**Oxford Inds**	40	13⅜	1.92	7.0	3.0	1.88	10.89	17	577.3
n	**Planning Research**	10	13½	1.22	11.1	1.5	1.54	8.18	30	319.5
o	**Service Merchandise**	10	12⅞	1.47	8.8	0.6	1.38	8.55	52	1,458.1
n	**Southdown**	31	45¼	4.16	10.9	1.1	1.33	27.97	82	237.7
n	**Stop & Shop Cos**	23	43⅜	4.52	9.6	2.3	1.63	25.45	54	2,790.8
n	**Tektronix**	19	65½	6.84	9.6	1.5	3.22	39.56	12	1,331.3
n	**Thomas Inds**	25	17⅞	1.83	9.8	3.8	3.82	8.80	59	222.0
a	**Tultex**	17	13¾	1.06	13.0	3.2	1.92	8.24	69	288.0
o	**Unifi**	14	10⅛	0.68	14.9	—	2.94	10.39	27	216.5
n	**US Shoe**	10	28⅛	1.96	14.3	3.1	1.74	17.12	11	1,507.8
o	**Willamette Inds**	22	40	3.17	12.6	3.8	1.40	28.08	48	1,045.7
n	**Wynns International**	22	20⅜	2.69	7.6	2.9	3.04	15.93	18	188.0

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Sources: CDA Investment Technologies;
The Value Line Investment Survey; *Standard & Poor's Stockpak-II System, Forbes*

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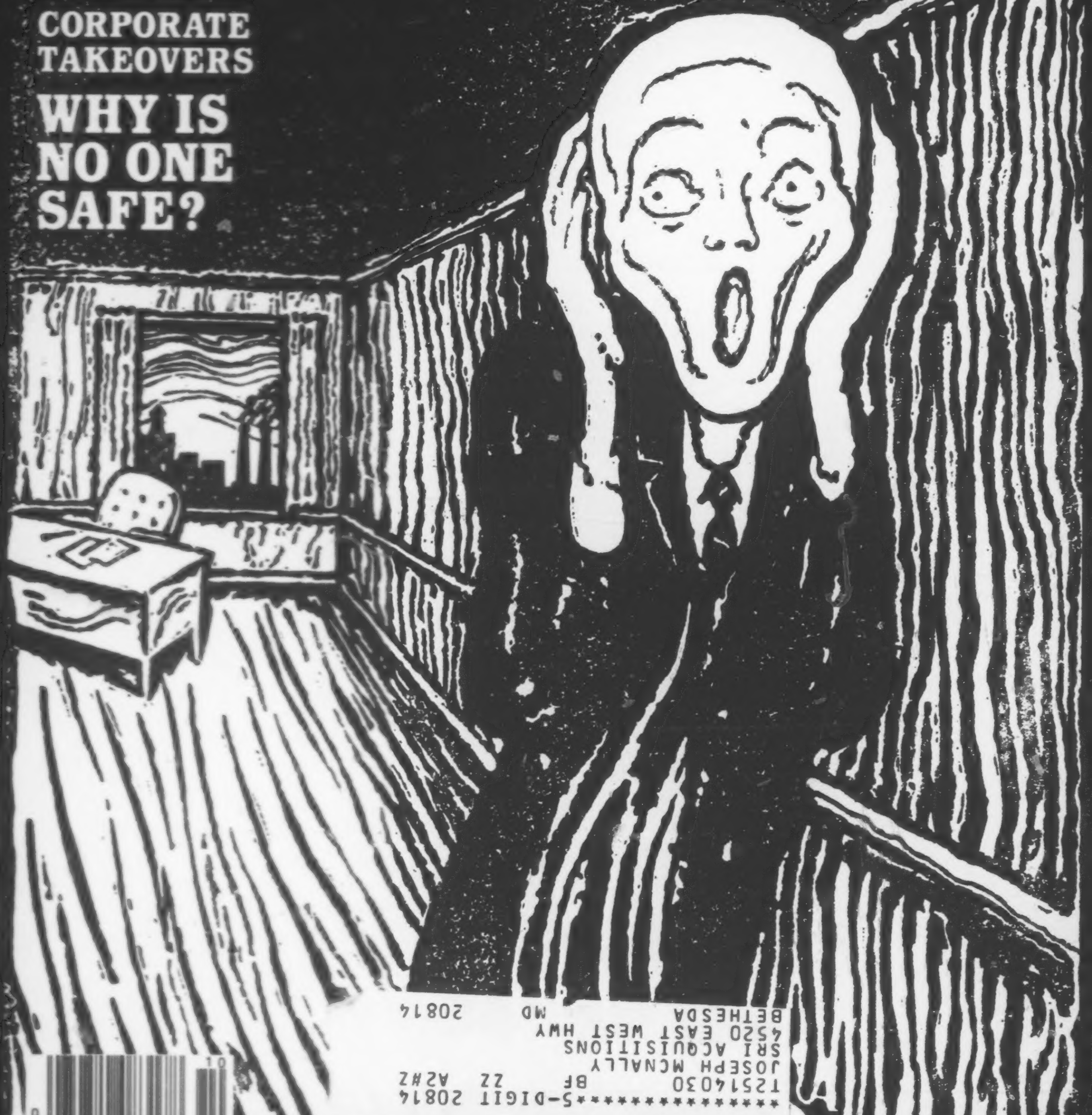
MARCH 11, 1985 THREE DOLLARS

Forbes

CORPORATE TAKEOVERS

WHY IS NO ONE SAFE?



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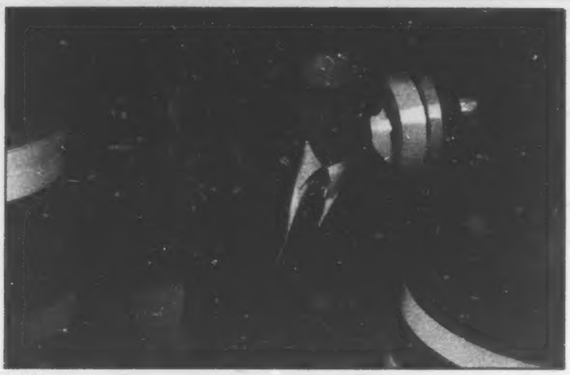

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March 11, 1985 Volume 135 Number 5 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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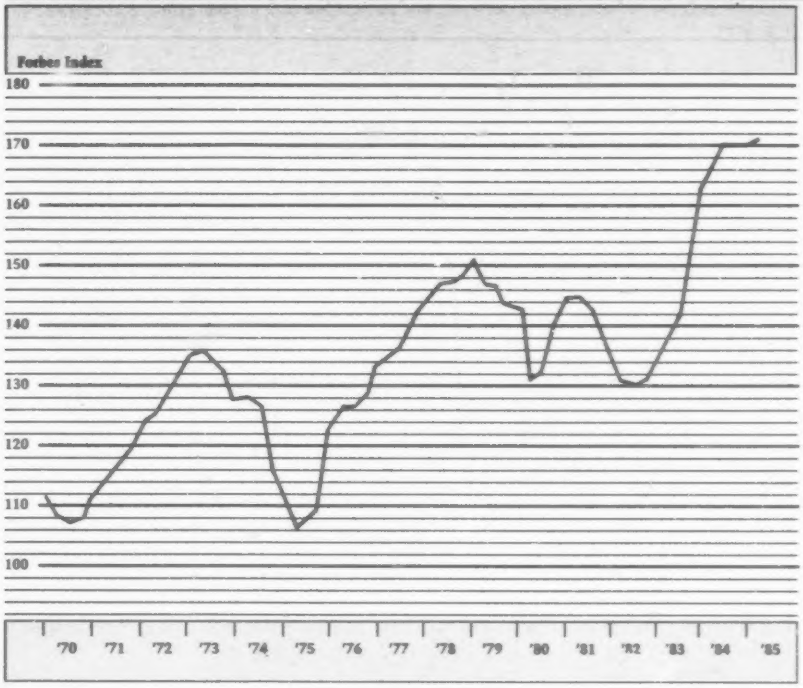
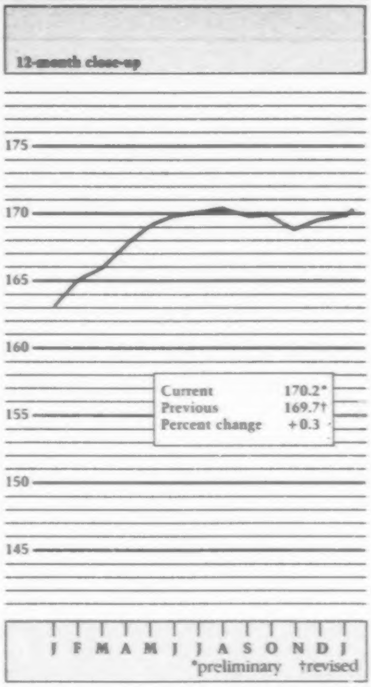
Cover illustration: Phil Huling, after Edvard Munch

The Forbes Index





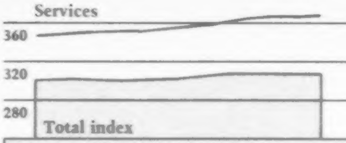
New high ground. The Forbes Index nudged to a record level in the latest reporting period when it registered a 0.3% gain. Consumer installment credit shows a 1.5% rise over the previous month. The latest figure also stands some 20.6% higher than it was one year ago. Personal income is up only 7.9% over the same time period. While there is always a danger that consumers will become overextended, this risk is tempered by the comparatively mild growth shown in the consumer price index.

New unemployment claims are worth watching. They rose only 0.1% over the previous month but stand 7.1% higher than they were the same time last year.

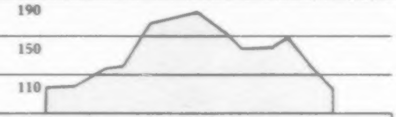
The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

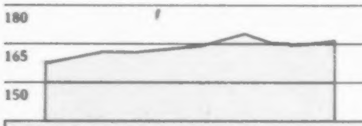
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



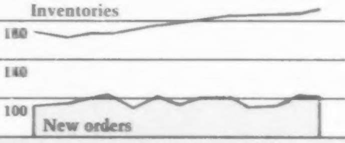
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



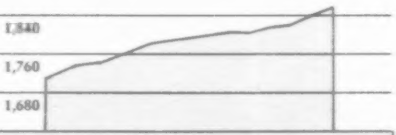
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



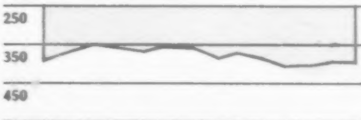
Industrial production index (1967 = 100)
Seasonally adjusted (Federal Reserve)



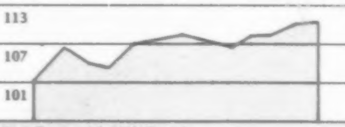
Manufacturers' new orders and inventories
(**$billions**) **seasonally** (Dept. of Commerce)



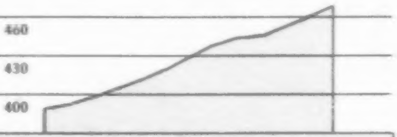
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(**thousands**) **seasonally adjusted** (Dept. of Labor)



Retail store sales (**$billions**)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

nership agreement that functioned like a men's club," says Kaiser. "When a partner retired, his units were redistributed to the remaining partners in proportion to the units they already held. So there was no incentive." Kaiser changed all that. Under the new arrangement, shares in the company—and thus income—are distributed on a merit basis; the better your individual office did the previous year, the greater your share in the firm and its profits.

Kaiser has also been forced to offer specialized services just like the Big Eight to protect his client base. That means a new Washington tax office and the new centralized administrative offices in Houston.

Of course, all of this costs money. PKF partners now make an average of $100,000 apiece. L&H partners make about 40% more. The difference is going back into the firm, and Kaiser keeps reassuring partners that it's just a capital investment; they will see it coming back some day.

As long as Kaiser keeps struggling to modernize and strengthen PKF, he'll continue to run the firm. Unless, of course, PKF is acquired. "We are approached annually by Laventhol & Horwath to merge with them," says Kaiser. While Kaiser can't rule out the possibility, he denies PKF is really interested. "Look at it this way," he says. "If everybody bigger than us merged, that would be great: We'd be number two."—**Richard Greene**

The Up & Comers

Dealmakers

Why blue-blooded investment banks are wooing small technology firms.

What's in a name?

Question: What do Lam Research, General Electric and Ford Motor have in common? Answer: They all use the same investment banker—Goldman, Sachs & Co. Lam is small ($19.1 million sales), but it's not stupid. When the Fremont, Calif. manufacturer of plasma etch semiconductor equipment had the chance to let Goldman, Sachs lead-underwrite its tiny $19.5 million issue last May, it jumped. Hambrecht & Quist, the first choice of a lot of Up & Comers, was relegated to the number two spot.

The heavy hitters in IPOs

Domestic initial public offerings for 13 months by ten big New York investment banks and the "Four Horsemen" of new issues.

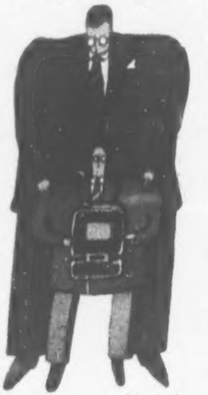
Lead underwriter	Capital raised* (millions)	Number of issues	Weighted avg price change since offering†
Merrill Lynch	$566	18	16%
Shearson Lehman	293	8	28
First Boston	229	5	28
Goldman, Sachs	155	7	19
Drexel Burnham	152	13	16
Morgan Stanley	144	5	55
Paine Webber	109	10	42
Dean Witter	109	8	–6
Kidder, Peabody	79	8	–1
Bear, Stearns	79	7	7
Alex. Brown	127	5	45
LF Rothschild	81	6	21
Hambrecht & Quist	26	3	27
Robertson, Colman	24	2	55

*Initial public offerings, Jan.1, 1984 to Jan. 31, 1985.
†Prices on 2/8/85.

Source: Securities Data Co.; CompuServe.

It isn't every day that Goldman, Sachs spends time courting the likes of Lam Research. Big investment underwriters normally enter the cyclical new-issues market only when it's red-hot. Such fair-weather profiteering is often born of inexperience, the kind that burned some of the big boys during the last bull market for new issues, in 1983. Fortune Systems, underwritten in 1983 by First Boston, was recently down 88% from its initial price. Even staid Morgan Stanley flubbed on Activision, which was down 90% from the offering.

"If one out of every three deals is hurting the reputation of your firm, how long can you stay in?" says Bill Comfort, head of Citicorp's venture capital subsidiary.


John Segal

But the market faded last year, and the big Wall Street firms are still hustling up new-issues business. "Amazingly, they haven't lost heart," says Sandy Robertson of Robertson, Colman & Stephens, a regional underwriter in San Francisco. Why?

The big investment banks haven't lost heart because they can't afford to, with the prospect of shrinking profit growth in traditional corporate finance. Now their determination may be paying off. Last year they raised far more capital than the small regional investment banks—known as the Four Horsemen—that used to dominate new issues: Hambrecht & Quist and Robertson, Colman & Stephens in San Francisco; L.F. Rothschild, Unterberg, Towbin in New York; and Alex. Brown & Sons in Baltimore.

Morgan Stanley's 1984 new domestic underwritings are up a whopping 55%, and Paine Webber's are up 42% *(see table).* Alex. Brown's $127 million in initial public offerings (IPOs) are up 45%, but generally the regionals underwrote only a handful of new issues. The market rally has dramatically helped their stocks: L.F. Rothschild's new issues, down an embarrassing 18% in late January, are now up 21%.

The Four Horsemen haven't entirely lost their touch, of course. But lately they're often being paired with bigger underwriters, as in the Lam Research deal. "More and more, you're seeing companies going public that want both a big Wall Street firm and a regional" underwriting their stock, says Edward Mathias, president of the T. Rowe Price New Horizons Fund.

The weapon the big firms are using to clean up in new issues is hardly more than their name. That may not sound like much, but reputation counts for a lot in this ephemeral market. Big names can induce institutional investors to cough up capital, even in a down market. "There was nobody we didn't bring out because of the market," boasts Carter McClelland, Morgan Stanley managing director.

Prestige was on the mind of Tom Bruggere, president of Mentor Graphics, when he picked Morgan to handle his IPO. "The fact that our underwriter did British Telecom carried across very well [with customers]," he says; this was particularly so in Japan, "which is very prestige-oriented."

Besides a big name, can the big-name firms offer the entrepreneur anything the regionals can't? Not new ways of financing, says Tom Volpe, Hambrecht's chief operating officer. "Our companies are almost invariably equity financers," he says. "They don't need those Byzantine financings that emanate from Wall Street."

The same goes for research, where the regionals have a distinct edge from following high-technology companies for years. Alex. Brown, for example, which specializes in software research, "has done a better job of understanding our industry than anybody else," says Larry Wilson, president of Policy Management Systems, a Columbia, S.C. producer of software for property and casualty insurers.

But give the big houses an edge in trading muscle. Take a fragile company like Lam public and rumors are inevitable. Twice Goldman, Sachs played hero and defused potentially damaging rumors about the company's financial health by dispatching salesmen to put nervous institutional shareholders at ease. Goldman also bought stock sold through other marketmakers, recalls Tom Nicoletti, a grateful Lam founder. The stock recovered both times from as low as 6⅝ to the current 11⅞, just above its offering price of 10.

Why are firms like Goldman making markets in thinly traded stocks? Mostly to hedge against competition in the big corporate finance markets. Morgan Stanley, for example, got a lot friendlier to small firms when the SEC introduced Rule 415—the "shelf rule." By allowing entire bond issues to be bought up at short notice, it shrank profit margins for investment bankers. Compared with giants like Salomon Brothers, Morgan was at a competitive disadvantage because it didn't have as much capital to risk. So, to drum up new business, it began its high-technology effort.

Others, sensing a sea change in the economy, have also plunged in. "Our traditional clients in the smokestack industries are net capital generators now, not net users," says First Boston Managing Director George Weiksner. "In the last five years over 40% of new equity capital went to technology companies, even though technology companies are only 20% of the market value of all equities."

But Up & Comers should be careful when the big boys call. "The excitement on their side, and the flattery they bestow, can be gone tomorrow," says Robert Swanson, whose Linear Technology Corp. is being wooed by investment banks for its first underwriting. "If you hiccup, they'll all disappear."—**Robert McGough**

The Up & Comers

Ploys

Phonograph cartridge maker Joe Grado loves opera more than money. So he's not . . .

Facing the music

Manhattan-born Joseph Grado has rarely been one to hang back when opportunity knocked. At 16 he dropped out of vocational high school, where he had been studying to be a watchmaker, and went to work for Tiffany & Co. (no less) as a watchmaker. When he discovered stereo sound in the early Fifties, he went to Long Island City-based audio pioneer Saul Marantz to help him improve the sound of his system. Impressed by Grado's ear, Marantz sent him over to Sherman Fairchild's floundering hi-fi stereo division. With that kind of introduction Grado promptly landed a job. The minute he came up with a viable product idea, Grado went out on his own, scraping together $2,000 to produce cartridges he designed. A cartridge picks up vibrations from the needle and converts them into electric impulses that are then transmitted to the rest of the stereo. In 1955 he opened a factory in Brooklyn on the site of his Sicilian-born father's grocery store.

Since then Grado has built his privately owned Grado Laboratories from $75,000 in sales its first year to roughly $4 million last year. Joe Grado may not be Akio Morita of Sony, but his little company has never had an unprofitable year, and it allows him to indulge his own musical tastes, which run to singing Verdi and making violins. These days he puts in only a few hours a month at his Brooklyn plant.

But now, at 60, Grado has a problem, like the rest of the audio business. Since 1980 total sales of separate audio component hardware, such as turntables and receivers, have stagnated. That has driven some specialty companies, like headphone manufacturer Koss, into Chapter 11. Sales of cartridges have fallen from an estimated $88.5 million in 1979 to $77.2 million last year. Since Grado ranks well behind market leaders Shure and Audio-Technica, he is clearly under pressure.

Meanwhile, technology threatens. Prerecorded audiocassettes already outsell records by 3-to-2. Other threats to Grado's cartridges are just now becoming affordable. Players of compact disks (CDs), digitally encoded aluminum disks read by a laser beam, now sell for under $300, compared with over $1,000 in 1983. That has helped unit sales jump from 35,000 in 1983 to 200,000 last year. They could double again in 1985. CDs, which are also falling in price (they average $13 to $16), give exceptional sound quality and aren't subject to either the surface noise or wear and tear of phonograph records.

But Grado remains skeptical about the quality of compact disk sound. "A lot of this so-called advantage of CDs is PR hype," he argues. "The same guys who are touting it publicly are not that enthusiastic privately."

Ted Kappler

Joe Grado rehearsing at home
All this, and Carnegie Hall, too.

The new devices have another hidden problem, he goes on. CDs, like videodisks, will be slower to catch on because they cannot record, says Grado. "In my estimation, it's just a stopgap until the real stuff comes out." And what might that be? He thinks the new 8mm videocassette could become an audio medium in which the audio part of a miniaturized videocassette recorder will both record and play music as well as video. He estimates the potential market for such a product "in the millions, not the hundreds of thousands."

So what's Grado's strategy? First, he's counting on being able to outlive his big competitors in the shrinking

As the American economic environment changed, predators emerged from under rocks and began to prey on healthy businesses. Is there no stopping them? Will they devour us all?

Why is no one safe?

By Allan Sloan

WHAT KIND OF WORLD are we living in? Texaco, the seventh-largest company in the U.S., is so unnerved by the Bass brothers' buying a 9.9% stake that it hands them a $400 million greenmail profit to go away. Mobil Corp., the fourth-largest company, is so worried that it will be the next company held for ransom that it's asking shareholders to put antigreenmail provisions in its corporate charter.

Not long ago, no one could even conceive of buying Texaco or Mobil, let alone seriously entertain such a thought. Who could raise the money for such a deal? These days, lots of people can. Carl Icahn can send Drexel Burnham Lambert out to raise $4 billion as part of an $8 billion proposal to take over Phillips Petroleum, the nation's 22nd-largest company. T. Boone Pickens and his pipsqueak Mesa Petroleum Co. could so discombobulate Gulf Corp., the nation's 14th-largest company, that it put itself up for sale and was bought for $13 billion by Chevron Corp. The leveraged buyout firm of Kohlberg Kravis Roberts & Co., which came close to buying Gulf, assembled $6 billion of bank loan commitments for a deal that would have had a debt-equity ratio of 30-to-1. Wherever you look, the sharp-toothed little minnows are chasing the whales and sometimes swallowing them.

Who is safe? Only those companies in such wretched shape that no one wants them and those with such a high stock price that no one can afford to pay a premium over the market. Who is vulnerable? All those companies

Billion-dollar babies

It wasn't long ago that buying something for a billion dollars made you distinctive. Xerox, using its overpriced stock, first pierced the barrier with its disastrous purchase of Scientific Data Systems. Ten-digit deals weren't common until the 1980's, with Reaganomics and the 1981 tax law in full swing and antitrust enforcement in full retreat.

1969	1970	1971	1972	1973	1974	1975	1976
Xerox Scientific Data Systems **1.0 billion**						**General Electric** Utah Intl **1.9 billion**	**Mobil** Marcor* **1.8 billion** **Newmont Mining et al.** Peabody Coal from Kennecott **1.2 billion**

*Mobil acquired 54% in 1974 and remaining interest in 1976.

whose underlying assets are worth more than the price of their stock—which means most big companies these days.

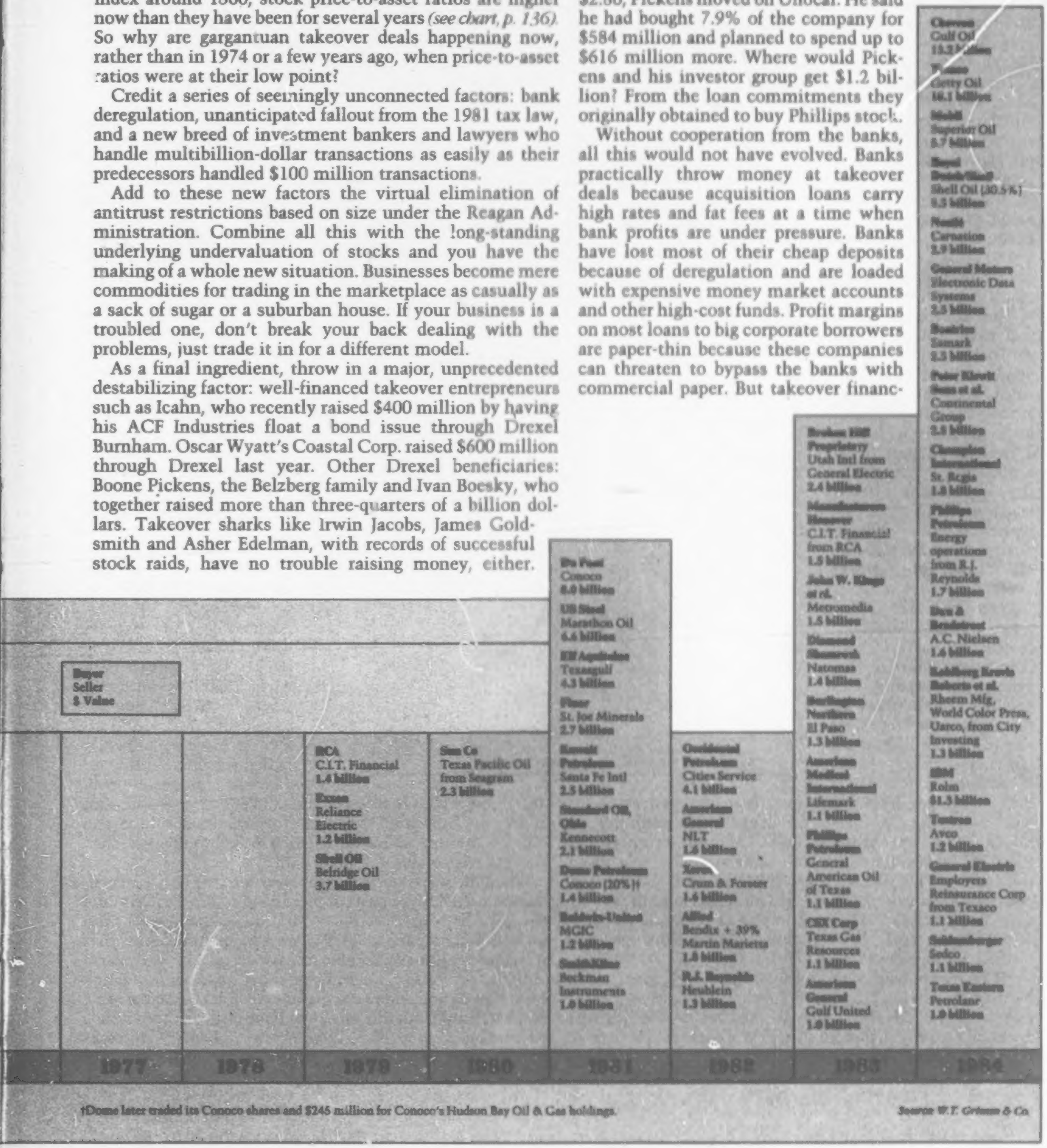
But why are so many big corporations being raided now? Companies' assets have been worth more than their stocks for years—at least since the great stock market crash of 1974, after which stock prices as a whole failed to keep up with the great inflation in property values. Why now, when the stock market has finally come to life and sailed past the old highs set in the 1970s? With the Dow Jones index around 1300, stock price-to-asset ratios are higher now than they have been for several years *(see chart, p. 136)*. So why are gargantuan takeover deals happening now, rather than in 1974 or a few years ago, when price-to-asset ratios were at their low point?

Credit a series of seemingly unconnected factors: bank deregulation, unanticipated fallout from the 1981 tax law, and a new breed of investment bankers and lawyers who handle multibillion-dollar transactions as easily as their predecessors handled $100 million transactions.

Add to these new factors the virtual elimination of antitrust restrictions based on size under the Reagan Administration. Combine all this with the long-standing underlying undervaluation of stocks and you have the making of a whole new situation. Businesses become mere commodities for trading in the marketplace as casually as a sack of sugar or a suburban house. If your business is a troubled one, don't break your back dealing with the problems, just trade it in for a different model.

As a final ingredient, throw in a major, unprecedented destabilizing factor: well-financed takeover entrepreneurs such as Icahn, who recently raised $400 million by having his ACF Industries float a bond issue through Drexel Burnham. Oscar Wyatt's Coastal Corp. raised $600 million through Drexel last year. Other Drexel beneficiaries: Boone Pickens, the Belzberg family and Ivan Boesky, who together raised more than three-quarters of a billion dollars. Takeover sharks like Irwin Jacobs, James Goldsmith and Asher Edelman, with records of successful stock raids, have no trouble raising money, either. These people don't need to raise all the money necessary to pay for a whole company. They just need enough for a credible stake, so they can extract greenmail money or put the target in play for another company to buy. Boone Pickens has become so adroit that he can play two big oil companies at once. First he went after Phillips. After negotiating a separate peace, under which his investor group got the right to sell its shares back to Phillips for $53 a share plus $25 million in "expenses," equal to another $2.80, Pickens moved on Unocal. He said he had bought 7.9% of the company for $584 million and planned to spend up to $616 million more. Where would Pickens and his investor group get $1.2 billion? From the loan commitments they originally obtained to buy Phillips stock.

Without cooperation from the banks, all this would not have evolved. Banks practically throw money at takeover deals because acquisition loans carry high rates and fat fees at a time when bank profits are under pressure. Banks have lost most of their cheap deposits because of deregulation and are loaded with expensive money market accounts and other high-cost funds. Profit margins on most loans to big corporate borrowers are paper-thin because these companies can threaten to bypass the banks with commercial paper. But takeover financ-



†Dome later traded its Conoco shares and $245 million for Conoco's Hudson Bay Oil & Gas holdings.

Source: W.T. Grimm & Co.

ing and leveraged buyout loans are lucrative.

Inadvertently, the 1981 Economic Recovery Tax Act helped fatten the corporate victims for the knife. The act was designed to spur economic expansion by allowing companies to take ultrarapid depreciation. One result was that cash flow grew faster than reported earnings. Unimaginative analysts and naive investors failed to see that this was strengthening the quality of corporate earnings; the sharp-eyed takeover artists quickly grasped the meaning. Because the extra cash wasn't reflected in earnings, ERTA didn't give stock prices an upward push. But by increasing cash flow, ERTA made corporate assets better collateral for takeover loans.

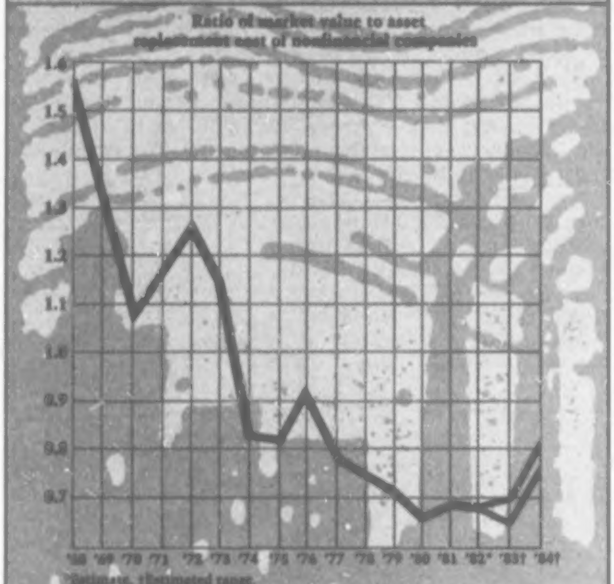
This last insight comes from SEC Chairman John S.R. Shad, formerly a top-notch corporate finance man at E.F. Hutton. "There's a differential between what people can justify paying for 100, 1,000 or 10,000 shares of stock and the value of taking over the entire company," he says.

The tax act so increased corporate cash flows that many companies now sell at "low multiples of their real cash flow and their ability to service debt," Shad adds. "They have substantial untapped borrowing capacity, which allows acquirers to finance a substantial part of the acquisition price against the acquisition itself." Hence also the recent phenomenon of leveraged buyouts—which are simply another form of takeover.

Even the extra cash flow wouldn't have allowed takeovers of giant companies four or five years ago, because few people on Wall Street had the experience and expertise to handle billion-dollar acquisitions. Today, it's different. The Street, ever fee-hungry, has brought forth lawyers and investment bankers to handle ever-larger deals. And, naturally, to knock down ever-growing fees. Salomon Brothers got $29.6 million in the Gulf deal, Morgan Stanley got $16.5 million and Merrill Lynch got $18.9 million. Kidder, Peabody got $15 million when Carnation was sold to Nestlé. Goldman, Sachs got $18.5 million in Getty's sale to Texaco, the same deal in which First Boston Corp. got $10 million for four days' work.

Assets for sale

In 1968, with stocks worth an average of 1.5 times assets, acquisitions were made with stock. The current takeover wave began in 1974. It's easy to see why.



*Estimate. †Estimated range.
Sources: Through 1982, U.S. Council of Economic Advisers; 1983 and 1984, George von Furstenberg, Indiana University.

"People have learned to do things quickly," says Charles Nathan, managing director of strategic services at Merrill Lynch Capital Markets, who worked on his first merger deals as a young associate in the Wall Street law firm of Cleary, Gottlieb, Steen & Hamilton in 1968. "I remember negotiating an acquisition where the burning issue was whether the seller could provide us with a list of all the leases, including the ones on the typewriters," he says. "Now people are making multibillion-dollar decisions on the basis of nothing but public information. It used to take weeks to line up bank commitments. Now it can be done in just a few days."

Ten years ago First Boston Corp.'s mergers and acquisitions department consisted of 4 people and a telephone. Today it has 110 people. At the New York law firm of Skadden, Arps, Slate, Meagher & Flom, takeover business has tripled in the past ten years, and the number of partners working on it has doubled. Hungry, smart, highly paid people sit around all day doing deals or dreaming them up. This is where the action is. "There's a fever," says Martin Sikora, editor of *Mergers & Acquisitions* magazine. "Up until a few years ago M&A was an opportunistic thing. Now companies have long-term strategies to grow by making acquisitions."

It was less than six years ago that IBM sold the first $1 billion issue of corporate bonds, amid worries that the market couldn't absorb such a huge offering; today Drexel Burnham floats $1.3 billion of junk bonds for Metromedia, and no one blinks. Until 1975 there had been only one billion-dollar corporate acquisition in history, Xerox' purchase of Scientific Data Systems in 1969. There have been 40 in the past four years, 17 of them last year alone. Even taking inflation into account, last year was the biggest ever for the dollar amount of acquisitions, exceeding the previous high set in 1968 *(see chart, opposite page).*

The current merger wave, the fourth since the late 1890s, began in 1974 when old-line International Nickel Co., advised by old-line Morgan Stanley & Co., successfully raided another old-line industrial company, ESB. (Inco won, which is to say it lost, and ended up losing a lot of money, but that's another story.) If stodgy Inco and Morgan Stanley could do it, then hostile takeovers had become respectable.

When the wave started, companies such as United Technologies used acquisitions to expand more quickly and cheaply than they could by building businesses from scratch. By comparison with what is happening today, that was a reasonably respectable motive. In recent years much of the activity has changed from cheap expansion to quick asset liquidation and to companies trading businesses. CIT Financial and Utah International have both changed hands twice. Esmark bought Norton Simon and sold businesses to help pay for it, then sold itself to Beatrice Cos., which is selling businesses to help pay for buying Esmark.

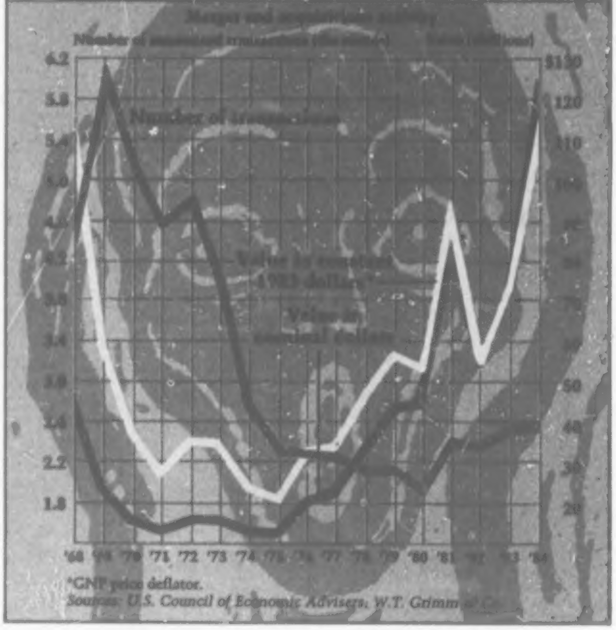
The previous merger waves were from 1896 to 1904, when monopolies like U.S. Steel and Standard Oil were formed in reaction to the Sherman Act, which outlawed trusts but not monopolies; from 1919 to 1929, when companies like General Motors, Swift and Pullman bought up suppliers and expanded horizontally; and from 1960 to 1969, when conglomerates used their overpriced stock to buy other companies and manipulate their earnings.

Raiders argue that today's deals take place because of the disparity between what they are willing to pay for assets and the meager profits that incompetent corporate managers earn from them. In some cases, the argument that a low stock price-to-asset ratio reflects bad management is compelling. But almost all stocks carry lower P/Es than they used to. The average P/E of the Standard & Poor's 500 is now 11, compared with the 18 that it was 20 years ago. Have the managers all gotten 40% less competent since 1965? Did Inco's takeover make ESB a better company or a worse one? Did Mobil make Montgomery Ward better or worse? One needn't be a close student of business to realize that these takeovers resulted in worse management, not better.

To the extent that the leadership of American business is deficient in zeal and ability, the takeover artist is a questionable replacement. The leading predators like to portray themselves as champions of the shareholder and enemies of slothful management. But this pose is so self-serving as to be ridiculous. If many stocks still sell at low multiples compared with previous years, the reason is much more likely a consequence of high interest rates rather than of lousy management. With long-term interest rates running double the level they were at 20 years ago, why should any rational investor pay as much for a dollar of corporate earnings as he was willing to pay when rates were at 5% or 6%?

Counting the deals

Today's takeover lunacy involves fewer deals than earlier periods of excess, but far more money. Even counting inflation, 1984's dollar total topped 1968's.



*GNP price deflator.
Sources: U.S. Council of Economic Advisers, W.T. Grimm & Co.

High interest rates lower the value of a dollar of earnings. At the same time, the inflation of the 1970s was steadily increasing the value of a dollar of assets. Earnings—what most investors react to—were worth less, while the underlying assets were worth more. The situation was ready-made for raiders and liquidators who knew how to buy on the basis of earnings and how to sell on the basis of assets.

In any event, totally awful companies are rarely taken over. "When you're an ugly girl, no one pays attention to you," says John Norell, president of Phillips' biotechnology subsidiary. "Then she gets herself in shape . . . and the first thing that happens is, somebody rapes her." As a result, companies are sometimes led to doing perverse things to avoid rape. They may overpay for an acquisition in order to make themselves less sexy to potential rapists. Or they may load up their balance sheet with debt to make themselves less attractive.

"The whole game is nauseating," says Andrew Sigler, CEO of Champion International and chairman of the Business Roundtable's corporate responsibility task force. Sigler, whose company recently became the biggest paper company in the world by acquiring thrice-greenmailed St. Regis Corp., complains that whenever he expands Champion's capacity, he's deluged with complaints that all he cares about is making paper, not making money for his shareholders.

"The problem is deciding who the hell the corporation is responsible to," he says. "I can't ask my shareholders what they want. Champion is 75% owned by institutions, and my shareholders change so damn fast I don't even know who they are." And, he adds, "We're owned by a bunch of index funds. Who votes for an index fund? Some damn mathematical formula votes your stock."

Once a company is attacked, it is all but doomed to lose its independence if the raider succeeds in putting his offer into effect, because money managers, who control two-thirds of U.S. stock trading volume, tend to take the money and run.

Smile, then, when one of these raiders proclaims himself an apostle of shareholder value. They claim they want to help the target company's shareholders maximize returns. But when the target company pays greenmail—and the raider, naturally, accepts it—it is the shareholders the raider professes to care about who ultimately pay the bill. If a company is taken over and liquidated at immense profit, didn't that profit belong rightly to its shareholders? The idea that most of these raiders are out to maximize value for anyone other than themselves is ludicrous.

A FORBES study suggests that patient investors can be better served by having a tender offer fail rather than succeed. We studied 39 cases assembled by Kidder, Peabody & Co. (which specializes in tender defense) in which companies defeated hostile tender offers and remained independent. We compared what stockholders earned by holding these stocks through the end of 1984 (or until another bidder bought the company) with what they would have earned had the tender been successful and the proceeds reinvested in the S&P's 500 Index.

In 17 cases the target company's stock outperformed the index, sometimes by 3 or 4 to 1. So in almost half these cases, money managers would have maximized profit by holding shares rather than tendering them. We chose cases at least two years old to give the target stocks a reasonable period to make up lost ground, compared with what the tender offer would have yielded *(see table, p. 139).*

The stripper

One megamerger that has been an unqualified financial success is Allied Corp.'s famous takeover of Bendix Corp. You remember that bizarre 1982 battle, of course. First, Bendix went after Martin Marietta Corp. Then Marietta counter-tendered for Bendix and got United Technologies to go partners on the deal. Bendix and Marietta bought majorities of each other. Allied Corp. came out of nowhere to settle things by buying all of Bendix and 39% of Marietta.

What made the deal work was asset stripping. Who would have thought that Bendix, a $4.1 billion (revenues) automotive parts, aerospace and machine tool conglomerate, was an asset play? Allied CEO Edward Hennessy Jr. did. Hundreds of Bendix headquarters employees have lost their jobs, and the work force at Bendix plants in Cleveland and South Bend, Ind. has been slashed, but Bendix has become the most profitable part of Allied.

Michael Witte

White knight Edward Hennessy Jr.

Allied spent $1.8 billion in cash, notes and stock to buy Bendix. Within a year, Allied generated:

- $343 million from selling Marietta back its shares;
- $129 million from selling RCA stock that Bendix owned;
- $90 million from liquidating Bendix Automation, formerly one of the largest machine tool companies in the nation;
- $47 million from selling Bendix' portfolio of bank preferred stocks;
- $33 million from selling Bendix' Gradall earthmoving machine and Texas Pipe Bending businesses;
- $25 million from selling most of Bendix' headquarters building in Southfield, Mich.

These sales raised $667 million. Allied says it took another $190 million of cash out of Bendix by reducing inventory levels and cutting down receivables. That totals $857 million of cash stripped out.

Then there were tax synergies. In the past, Bendix, with a hefty U.S. tax bill, purchased tax credits. Allied, plagued with capital-intensive, low-profit U.S. businesses, sold some unused tax credits. Allied had some $100 million of tax carryforwards when it bought Bendix. Allied won't say how much it netted because "we would rather not draw attention to it." Let's be conservative and say that $43 million was realized by tax games. That would raise the cash taken out of Bendix to $900 million.

But only $925 million of the $1.796 billion that Allied paid for Bendix was in cash. The rest consisted of original issue discount notes ($149 million at the date of issue), preferred stock ($276 million) and 22.9 million common shares ($446 million at date of issue).

Taking out $900 million got Allied back almost all of its cash. The asset sales reduced Allied's net investment in Bendix to $900 million—the purchase price less cash stripped out. In 1983 Allied recorded an $80 million loss on Bendix, increasing its net Bendix investment to $980 million. In 1984, after subtracting corporate overhead, preferred stock dividends and interest on the notes, Allied earned about $185 million on its Bendix investment. Divide that by the $980 million and you have a 19% aftertax return on invested capital. That would be the equivalent of Allied's having paid a price/earnings multiple of 5.3.

Dividing the 22.9 million Allied shares issued in acquiring Bendix into the $185 million Bendix earned produces income of $8.10 a share. If you subtract the Bendix profits and the 22.9 million shares from Allied's year-end numbers, Allied would have earned only about $3.80 a share. With Bendix, it earned $5.03.

Look at it another way. The 1984 earnings and the $220 million that Allied expects Bendix to earn in 1985 just about pay for the notes and preferred stock that Allied issued to buy Bendix. Two more $220 million profit years would pretty much cover the cost of the common stock, and Allied would then own Bendix for nothing.

"Not many acquisitions turn out this well," says Harold Buirkle, Allied's executive vice president-administration. "In our acquisition economics we were more conservative than we expected things to be, and they've turned out better than we expected."

Allied got lucky, to be sure. Marietta redeemed its stock earlier than expected because its stock price shot up and it was able to resell to the public the shares it bought from Allied. Bendix' automotive parts business did much better than expected, too.

But Allied was more than lucky—it was smart. Bendix CEO William Agee congratulated himself on getting shareholders the highest price Bendix shares had ever fetched. In reality, of course, Ed Hennessy got Bendix cheap. Which shows that although takeovers may not be great for the country as a whole, there's a lot of money to be made in them if you're smarter than the other guy.—A.S.

But few CEOs can ask shareholders to reject a tender offer and wait for two years. In the meantime the question that plagues hundreds of conscientious chief executives is the question asked on our cover: Is there no escape from these people?

To beat takeover artists to the punch, CEOs can do what raiders would do: sell off real estate that's undervalued on the books or recover the surplus from overfunded employee pension funds. Those are probably good long-term strategies, regardless of whether a company is a target. In fact, many of the mergers that have been financially successful involved one corporation asset-stripping the other *(see box, opposite)*.

This liquidating of assets is part and parcel of the deindustrialization of America. Things are changing so fast these days that a CEO who doesn't do these obvious things—distasteful as they may be—can find himself thrown out and an acquirer buying the company and liquidating these assets to his personal profit, rather than for the benefit of the shareholders.

CEOs who feel that their shares are undervalued can leverage the company or liquidate all or part of it themselves, giving the profit to their shareholders rather than allowing a raider to seize it. Classic examples are Teledyne, which has periodically borrowed money to offer shareholders a chance to sell at an above-market price; IU International, which spun off its Echo Bay gold mine to its shareholders; or Masonite, which distributed its timberlands to its shareholders.

Many companies contend that the need to keep stock prices up forces them to take short-term approaches to their business. Their argument is that the Carl Icahns and Irwin Jacobses are turning this country over to the Japanese, who lack such predators.

But it's not as if corporate managers all thought long term until 1981, when big companies began to fall prey to raiders in record numbers. CEOs have been happy to base bonuses on short-term results, to reward money managers and employees for what they did in a quarter, to eschew long-term investments because they can't earn some mystical "hurdle rate" that is double or triple what the company as a whole earns. In other words, many companies are vulnerable to the predators precisely because they have managed for short-term results for too long. Companies like IBM, which managed for the long term, have little to fear.

"If you take a list of the best-run companies, they typically make long-term commitments, and they sell at decent multiples," says Frederick Joseph, head of Drexel Burnham's corporate finance department. "IBM is not a target. ITT is a target, because it hasn't managed its businesses very well. So ITT is complaining that it can't plan long term because of the sharks."

Rather than worrying about maximizing return on investment or long-term prospects, many companies take the easy way out—they pay off predators to go away. You can't blame predators for taking the money and acting like predators—they're not public charities, they're in business to make money any way they can, short of breaking the law. Blame the companies making the payoffs. But as the late Neville Chamberlain found out, appeasement doesn't work. Hitler promised to behave if they would let him take the Sudetenland, but he came back later for Poland and France.

After a greenmail payment, a company's stock tends to plunge as takeover speculators bail out—and someone like Irwin Jacobs, with a shrewd eye for market overreactions, may well appear. Jacobs bought into Avco, Disney and

Maximizing shareholder value?

Conventional wisdom notwithstanding, a target's shareholders are often better off if a tender offer fails. We studied 39 cases in which companies successfully resisted hostile tenders. In 17 cases, the value of the target's stock at year-end 1984 exceeded what a shareholder would have if the offer had succeeded and the proceeds had been reinvested in the S&P's 500 Index. (Where a company defeated one offer but was later bought, our calculations run through the acquisition date.) So when managers call an offer for their company "inadequate," it's not always just to protect their jobs. We didn't include capital gains tax on the tender proceeds and didn't count cash dividends from the stock or the S&P's.

		How well you —would have fared—	
Company	First announcement date	holding stock through 12/31/84	investing proceeds in S&P's 500
Dictaphone*	Sep 1974	133%	33%
Inspiration Consol Copper*	Feb 1975	–16	17
Sterndent*	Feb 1975	61	49
Unitek*	May 1976	97	–7
Pargas*	May 1976	143	58
McKesson	May 1976	42	61
Sabine and Sabine Royalty Trust	Sep 1976	135	62
Universal Leaf Tobacco	Oct 1976	389	63
Viacom International	Jan 1977	225	73
Sunshine Mining	Mar 1977	36	69
Detroit Intl Bridge*	May 1977	25	14
Gerber Products	Aug 1977	51	73
Marshall Field*	Dec 1977	–29	24
Rowan Cos	Jul 1978	47	61
Mead Corp	Aug 1978	–2	62
Wurlitzer	Sep 1978	–85	73
Levitz Furniture	Nov 1978	172	73
Chicago Rivet & Machine	Jan 1979	–44	73
Mission Insurance*	Jan 1979	29	64
McGraw-Hill	Jan 1979	114	73
Ludlow Corp*	Feb 1979	45	18
Woolworth	Apr 1979	6	69
Hoover	May 1979	31	64
Harnischfeger	Jun 1979	–60	61
Morrison Inc	Jul 1979	–3	56
Telecom Corp	Aug 1979	–87	54
Gulf Resources	Feb 1980	–70	64
Harsco	Jan 1981	26	47
Amax	Mar 1981	–79	26
Canal-Randolph (in liquidation)	May 1981	229	29
Posi-Seal Intl	Jun 1981	–32	28
Heinicke Instruments	Jul 1981	–14	36
Wetterau	Aug 1981	19	43
Grumman	Sep 1981	21	37
Maxxam Group	Oct 1981	11	33
Brunswick	Jan 1982	352	48
SCA Services*	Mar 1982	99	42
RP Scherer*	Jul 1982	48	44
Martin Marietta	Aug 1982	39	37

*Acquired before 12/31/84; results through acquisition date.

> *Everyone is preparing for the takeover wave to go on forever, but it won't. The market created these raiders, and market forces will ultimately make them go away.*

Castle & Cooke after they were greenmailed but hasn't taken any greenmail himself. "I think greenmail is terrible," he says, "but if it's not stopped, I'm going to do it.... My objective is to make money." The sad thing is that it would be so easy to stop greenmail. Just pass a law forbidding companies to make any offers to big stockholders that they don't offer to all their stockholders.

So far, according to statistics compiled by Kidder, Peabody, five companies have adopted antigreenmail charter amendments, and about 60 more will probably have them in place by the middle of this year. Last year alone, 250 companies installed various antitakeover provisions. Everyone is preparing for the takeover wave to go on forever.

But it won't. The House, Senate and SEC are all holding yet another set of hearings on takeovers. Previous reform attempts produced only minimal changes such as taxing some "golden parachute" payments. Now the business establishment is after major revisions. "The people in the merger business want to modify the rules by taking out the nauseating things like golden parachutes and scorched earth defenses," says Champion's Andy Sigler. "They don't want to stop the game. That's how they make their living."

Even if Congress does nothing about takeovers, the market may. Some takeovers seem in financial trouble: For one, Victor Posner's hostile buyout of Royal Crown resulted in missed bank loan payments, since made up. One or two horrible failures will cut back bank takeover money in a hurry. The proposed tax law changes would lower corporate tax rates to 33% from 46%, decreasing the value of interest deductions, and would greatly reduce the 1981 tax breaks.

Moreover, the stock market is strong. And with inflation having subsided to low levels, no longer do asset values increase 10% a year automatically. As stock prices more closely reflect basic asset values, the predators will lose their easy prey.

No other major merger wave has gone on for more than ten years. This one is already well advanced. We suspect that just as they begin to look unstoppable, the financial raiders will either disappear from the scene or metamorphose into conventional businessmen. ■

Mortgaging the future

When companies start worrying about sharks, practically the last thing they care about is tomorrow. As a result, one of the first items to go in corporate restructurings is the R&D budget. Long-range planning is pushed to the back burner when companies attempt to thwart current takeover attempts, according to Michael Heylin, editor of *Chemical & Engineering News*, which is published by the American Chemical Society. Aside from the scientists and engineers who are laid off, R&D dilution demoralizes everyone in a company because they suddenly realize that long-range thinking and planning have gone by the board. Consider: Between June 1982, just prior to the first assault on the company by T. Boone Pickens, and now, Gulf Corp. throttled back operations including its research and development. According to one source, a substantial number of its scientists and engineers have been laid off. Did it help? Chevron Corp., which took over Gulf in June of 1984, has continued the cuts. Gulf's once-respected research institute, in Harmarville, Pa., will probably soon be sold or donated to the University of Pittsburgh.

The case is much the same with Phillips Petroleum. In opposing Boone Pickens and Carl Icahn, Phillips came up with a refinancing and asset sale scheme designed to produce at least $2 billion. To raise that money, says John Norell, president of Provesta Corp., Phillips' biotechnology subsidiary, research expenditures have been slashed by 75%, from more than $20 million to $5 million. While no scientists have yet been laid off, Norell says that substantial numbers of scientific and technical jobs would be threatened if assets were sold. In addition, advanced research projects already on the drawing boards, such as a $15 million dry yeast protein plant in Nebraska, have been scrubbed, and the company is scaling back on venture capital commitments made to fledgling companies.

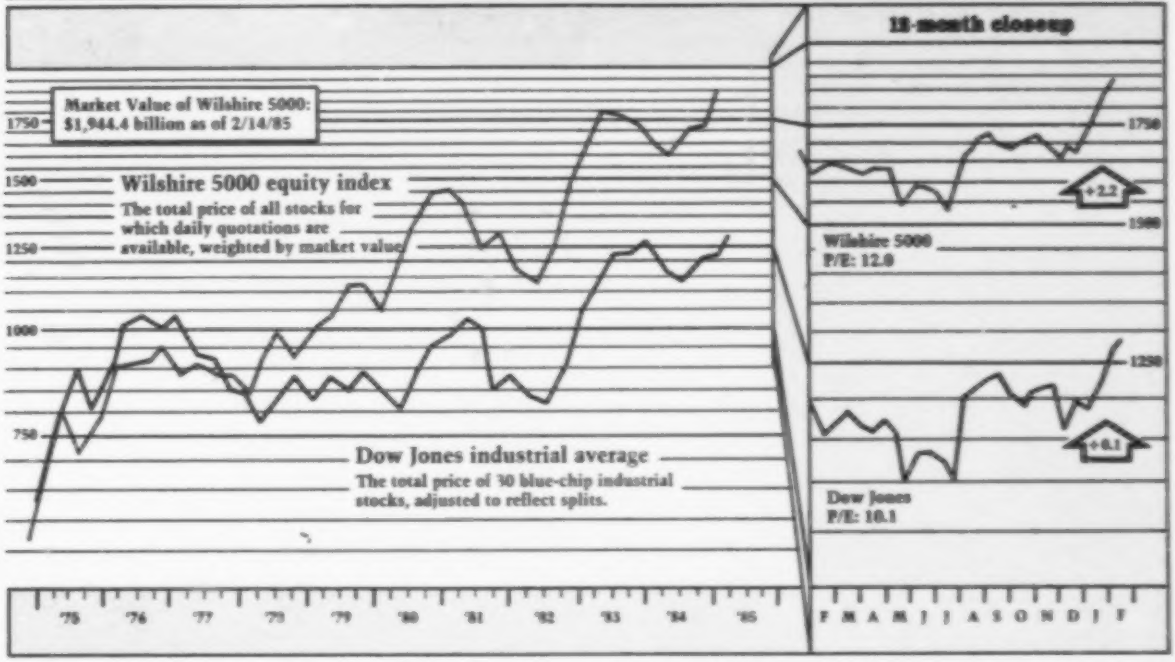
At a recent meeting of the Industrial Biotechnology Association in Fort Lauderdale, Norell made it clear to companies such as Biogen, Cetus and Genentech, which are now looking to the oil and chemical giants as joint venture partners: "It won't be easy to walk into a large company to get money. For the short term, spare cash in our industry is going toward the redeployment of existing assets."

Why would any company in its right mind do away with R&D in an increasingly competitive environment? Says Norell, "Everybody figures, hell, let's just get past today. Research is intangible, and there is little way we can prove that it benefits the company immediately. So we can save money by firing the scientists, and when this is all over we can just hire them back."

But it isn't that simple. Work in progress that is suddenly terminated is often superseded by more advanced research elsewhere. So what appears to be a short-term savings turns out to be not a long-term but an almost immediate loss.—**Stephen Kindel**

Edited by Steve Kichen

The Forbes/Wilshire 5000 Review



Real and wonderful. The market demonstrated its ability to lunge back from a one- or two-day selling spree in the last few weeks. Toward the end of the recent two-week period, a day's trading on the Dow crossed the 1300 line. This 30-stock average closed this session a whisker short of that level, but still at an alltime high. The Wilshire index of more than 5,600 issues also hit a peak during the same day. Late profit-taking cut the Dow's gain to just 0.1% for the two-week period and a 4.8% gain for the last four weeks. Meanwhile, the Wilshire registered a 2.2% advance over the two-week stretch and a 7.6% gain for the four-week period. Over the last 20 trading days the Wilshire has added more than $138 billion in market capitalization. Both Amex and NASDAQ issues are up more than 3% for the last two weeks and 10% or more for the last four weeks.

The Wilshire index now stands 17.3% higher than it did one year ago, while the Dow industrials are up 11.5% and the Forbes 500, 18%. Since the beginning of the year it has been hard for the average investor to go wrong. Some analysts are talking about a Dow soon reaching hundreds of points higher than it is now. But a market rally is no excuse for indiscriminate action. A rising tide doesn't lift boats with holes in them.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	7.6	7.3	4.8	7.0	10.0	10.4
in last 52 weeks	17.3	18.0	11.5	17.7	12.1	14.5

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	7.6	12.6	18.1	6.0	11.9	9.8	5.8	16.8	15.0	6.5	7.5	14.7
in last 52 weeks	19.5	12.2	17.1	25.0	6.1	26.6	21.3	16.8	13.8	24.5	23.5	3.8

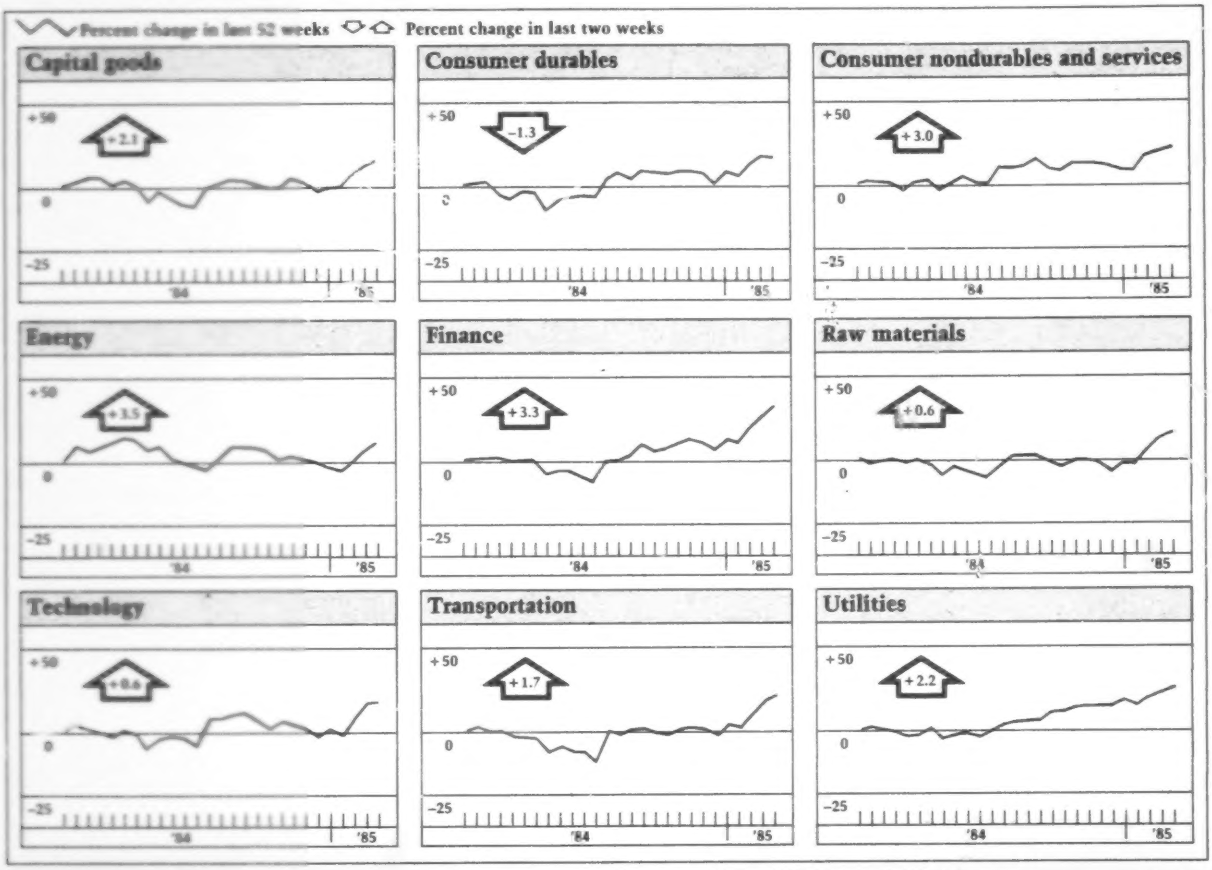
[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 2/14/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

Playing favorites again. The market has been advancing across a wide front, but during the last two weeks investors began searching for favorite rally groups. Energy shares show the best performance during this stretch, a 3.5% gain, but at least part of the activity in the oils stems from the unfolding Phillips drama. Finance stocks had the second-best gain, a 3.3% rise. Consumer nondurables issues were up 3%. But consumer durables stocks declined 1.3%, and raw materials managed only a 0.6% advance. A rallying market can turn against an individual stock with a vengeance at the slightest drop of bad news. Data General, for one, was haunted by a loss of close to 20 points in less than a week. Other computer issues suffered, and the technology sector gained only 0.6%.



What The Analysts Think

Winners and losers. With both the market and the economy rallying, analysts raised their 1985 earnings projections for the finance sector (brokerage houses and banks) and consumer durables sector (auto industry). But recent disappointments in the computer industry prompted some estimate-cutting for the technology stocks.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.79	10.4
1985 estimates	4.50	8.7
1986 estimates	4.84	8.0

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Finance	$3.44	8.5	0.24%	0.19%
2	Consumer durables	5.09	7.8	0.04	0.13
3	Utilities	3.63	7.1	−0.19	−0.20
4	Capital goods	3.09	10.4	−0.34	−0.32
5	Transportation	3.34	8.1	−0.54	−0.72
6	Consumer nondurables	2.74	10.3	−0.68	−0.88
7	Energy	3.85	7.1	−1.04	−1.40
8	Raw materials	2.68	8.7	−1.43	−2.24
9	Technology	3.16	10.6	−1.87	−2.09

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 2/14/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Statistical Spotlight

With the Dow up more than 175 points since last summer, we couldn't resist peeking at our computer-picked test portfolios.

Smart darts revisited

By Leslie Pittel

How good are simple computer programs at picking stocks? Sometimes, very good. Usually they are just average. Such are the early indications from five computer-generated portfolios published here last July.

This game goes back to 1967, when we took a whimsical look at the random walk theory, the notion that investment analysis can't beat guesswork in picking stocks. Three FORBES executives selected 28 stocks by dart throws. But, thanks to mergers and liquidations, the list dwindled to 15, and we finally put our portfolio to rest (FORBES, *July 30, 1984*). It had bested the Dow by more than 10-to-1.

We replaced our original dart board with the Smart Dart Fund of 25 stocks selected by a microcomputer. And, again with some help from our com-

The early leader: The Pure Play Price/Earnings Fund

"Contrarians" say they can beat the market by buying out-of-favor stocks with low multiples. This test portfolio of low-P/E issues is up 27.2% since last summer, assuming equal dollar investments in each stock.

	Price			Latest 12 months				Estimated
Company/business	recent	original*	% change	EPS	P/E	Yield	Book value	EPS 1985
American Century/real estate	10⅜	8	30%	$0.90	11.5	—	$6.63	$2.00
Central Maine Power/electric utility	10⅜	11⅛	–7	2.64	3.9	13.5%	16.68	2.42
Chase Manhattan/bank holding	55	39⅝	39	9.01	6.1	6.9	91.02	10.62
Chemical New York/bank holding	41	25¾	59	6.48	6.3	5.8	45.77	6.65
Cincinnati Gas & Elec/utility	15¼	11	39	2.45	6.2	14.2	20.24	2.47
Commonwealth Energy/utility	28¾	19⅜	48	4.75	6.1	8.1	23.58	4.18
Consumers Power/electric utility	6¼	6⅛	2	1.66	3.8	—	25.92	1.46
Contl Illinois/bank holding	5½†	5⅝	–2	NA	NA	NA	NA	NA
DWG/propane gas	2⅝	2¾	–4	0.36	7.3	—	5.51	1.00
El Paso Electric/electric utility	14½	10½	38	2.88	5.0	10.1	13.41	2.85
Finl Corp America/savings and loan	10	11¾	–15	–1.09	NM	2.0	NM	2.31
First Am Finl/title insurance	31	25	24	6.34	4.9	2.3	29.22	7.00
First Western Finl/savings and loan	6¾	6¼	8	1.23	5.5	3.0	NM	1.77
Ford Motor/auto	46⅝	35½	31	16.19	2.9	5.4	50.43	14.88
Gibraltar Finl/savings and loan	9¾	6⅞	42	2.05	4.8	—	9.75	2.21
Golden Western Finl/savings and loan	26½	11⅞	123	3.91	6.8	0.8	NM	4.22
Kansas Cty Pwr & Lt/electric utility	21⅛	15	41	4.49	4.7	11.2	23.46	4.15
Long Isl Lighting/electric utility	8¼	5⅜	53	3.01	2.7	—	19.28	2.90
Maine Public Svc/electric utility	16⅛	15⅞	2	5.12	3.1	8.7	37.04	4.95
Manufacturers Hanover/bank holding	40¼	25⅜	59	7.12	5.7	8.0	63.62	8.04
Middle South Utils/electric utility	14⅜	11	31	2.76	5.2	12.4	18.19	2.59
Public Svc Ind/electric utility	8⅛	8⅝	–6	2.07	3.9	12.3	27.24	1.11
Public Svc New Hamp/electric utility	4⅞	5⅛	–5	3.07	1.6	—	20.24	3.32
Toledo Edison/electric utility	18½	15⅛	22	3.70	5.0	13.6	24.09	3.56
United Illuminating/electric utility	16⅞	13⅛	29	5.40	3.1	11.9	31.48	4.95

*As published in FORBES, July 30, 1984. †Recent value represents 1 share of Cont'l. Hldg. and 1 right to new Cont'l. Illinois. NA: Not available. NM: Not meaningful.

Sources: Wilshire Associates; Standard & Poor's Stockpak-II System; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; FORBES puter, we created four other groups, each based on a simple version of an accepted stock-picking principle. The Pure Play Price/Earnings Fund consisted of 25 shares with the lowest price/earnings ratios. The Pure Play Book Value Fund contained 25 issues selling at steep discounts from book value. The Pure Play Growth Fund consisted of firms with high sales and earnings growth over the past four years. And the Pure Play Analysts' Choice Fund was 25 stocks whose anticipated 1985 earnings would show the largest gains over 1983's.

Second place: Pure Play Growth Fund

With a 19.5% gain, this portfolio beat the Dow, up 15.6%, but not the Wilshire index, up 20.6%.

	Price			Latest 12 months				Estimated
Company/business	recent	original*	% change	EPS	P/E	Yield	Book value	EPS 1985
Academy Insur Grp/insurance	10⅜	8¾	19%	$-0.65	NM	1.9%	$4.14	$1.22
Amfesco Inds/footwear	15¼	12¾	20	2.33	6.5	—	9.57	NA
Avant-Garde Computing/software	18	19⅛	-6	0.57	31.6	—	5.12	1.10
Berg Enterprises/mortgage banking	16⅜	9	82	1.64	10.0	—	4.93	1.67
BR Communications/electronics	12¼	16¾	-27	1.19	10.3	—	6.38	1.25
Comair/airline	16	10	56	1.03	15.5	—	7.03	2.13
Commodore Intl/computer equip	13⅜	28⅞	-54	4.77	2.8	—	10.56	3.46
CPI Corp/industrial svcs	18	18⅞	-5	1.47	12.2	—	4.60	1.74
Dreyfus/financial svcs	48¾	26¾	82	3.53	13.8	2.1	11.36	3.94
Dysan/computer equip	14⅜	10	44	-1.90	NM	—	9.82	0.07
First Executive/insurance	14⅜	10⅞	32	1.10	13.1	—	9.78	1.42
General Homes/building	8¾	6½	35	0.72	12.2	—	8.91	0.67
GTS/oilfield svcs	11	7⅞	40	1.10	10.0	—	2.91	1.50
Gulfstream Aerospace/aerospace	16½	15⅞	4	1.67	9.9	3.3	6.67	1.47
Helen of Troy/cosmetics	8¾	7	25	0.71	12.3	—	3.58	1.07
Jeffrey Martin/cosmetics	8	6½	23	0.60	13.3	—	1.61	0.70
Key Pharmaceuticals/ethical drugs	11⅝	12½	-7	0.62	18.8	1.7	1.67	0.85
Limited/retail	37¼	19	96	1.38	27.0	0.6	4.10	2.02
Liz Claiborne/apparel	30¾	19¼	60	1.77	17.4	0.8	4.46	2.38
Phoenix American/financial svcs	3¾	6¼	-40	1.00	3.8	—	2.22	0.82
Provincetown-Boston Air/airline	4½	9	-50	0.48	9.4	—	4.38	0.80
Quick & Reilly Grp/securities brokerage	24¾	16½	50	1.23	20.1	0.8	6.64	1.60
Southern Hospitality/restaurants	5¾	3⅞	48	0.35	16.4	—	2.22	0.65
Yankee Cos/integrated oil	7½†	9⅛	-18	1.15	6.5	—	3.82	0.66

*As published in FORBES, July 30, 1984. †Formerly Yankee Oil & Gas. NA: Not available. NM: Not meaningful.

Sources: Wilshire Associates; Standard & Poor's Stockpak-II System; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; Forbes

The Smart Dart Fund, up 18.1%

These 25 shares, picked randomly by computer, beat the Dow and the analysts. But they couldn't top the Wilshire.

	Price			Latest 12 months				Estimated
Company/business	recent	original*	% change	EPS	P/E	Yield	Book value	EPS 1985
American Sterilizer/health care equip	22½†	16¼	38%	$1.51	14.9	—	$14.18	$1.55
Ampad/paper products	19¾	14½	36	1.23	16.1	2.0%	6.90	1.50
ArgoSystems/electronics	21¾	17	28	0.95	22.9	—	4.90	1.02
Bellwether Explor/oil and gas expl, dev	2⅜	3¼	-27	0.22	10.8	—	1.97	0.50
Big Bear/grocery stores, retail	12¾	9½	34	1.63	7.8	—	8.16	1.85
Burndy/electronics	17¾	15	-17	1.07	16.6	4.7	10.86	1.28
Dreyer's Gr Ice Crm/ice cream	19	18¼	4	0.91	20.9	—	4.12	1.15
AG Edwards/securities brokerage	33⅞	22¼	52	1.49	22.7	2.4	13.61	2.46
Forest Labs/drugs	20	15	33	0.57	35.1	—	5.54	1.35
Home Centers of Am/home products	11†	9⅝	14	NM	NM	NM	NM	NM
Infodata Systems/computer software	3⅜	7½	-55	-1.35	NM	—	2.54	0.65

The Smart Dart Fund, up 18.1%

	Price			Latest 12 months				
Company/business	recent	original*	% change	EPS	P/E	Yield	Book value	Estimated EPS 1985
Intl Banknote/printing	3¼	4⅜	–26%	$–1.43	NM	—	$0.89	$0.36
Iomega/computer equipment	11⅜	5⅛	129	9.00	NM	—	1.40	0.94
Penn Central/multicompany	53½	46	16	4.45	12.0	—	39.63	3.88
Rainier Bancorp/bank holding	24⅞	18	36	3.13	7.9	4.0%	21.99	3.49
Richardson-Vicks/cosmetics	29	26⅜	10	3.15	9.2	5.1	11.96	3.08
Sandwich Chef/fast food	8¾	7½	17	0.61	14.3	—	5.87	0.78
SIS Corp/fast food	5	6⅜	–22	NA	NA	—	NA	0.35
Steiger Tractor/agricultural equip	7⅛	8	–11	0.03	NM	—	10.24	0.39
Texas Am Bancshares/bank holding	37¼	37½	–1	4.06	9.2	4.1	33.84	4.72
Time/publishing	50½	40½	25	3.37	15.0	1.6	12.50	3.71
Toro/appliances	16½	11⅛	47	1.48	11.1	1.2	8.93	1.46
Ultrasystems/engineering, construct	8¼	18½	–55	0.93	8.9	0.7	5.09	1.26
Victoria Bankshares/bank holding	23⅛	21	12	1.80	13.1	4.3	21.00	2.00
Winnebago/recreational vehicles	20½	10⅛	100	1.16	17.7	0.5	4.84	1.55

*As published in FORBES, July 30, 1984. †Went private. ‡Acquired by K mart. NA: Not available. NM: Not meaningful.

Sources: Wilshire Associates; Standard & Poor's Stockpak-II System; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; FORBES

The Pure Play Analysts' Choice Fund

The analysts' portfolio, up 17.5%, trailed the Wilshire and three of our other portfolios.

	Price			Latest 12 months				1985 EPS estimate	
Company/business	recent	original*	% change	EPS	P/E	Yield	Book value	current	July '84
Alcan Aluminium Ltd/aluminum	30⅞	27½	12%	$2.21	14.0	3.9%	$28.88	$3.38	$6.44
Allen Group/auto parts	19⅝	18	6	1.59	12.4	3.0	12.36	2.65	3.27
Aluminum Co of Am/aluminum	39⅛	32⅞	19	3.13	12.5	3.1	41.36	4.77	7.14
Arrow Electronics/electronics	16⅞	21⅝	–22	2.11	8.0	1.2	11.62	2.38	3.79
Black & Decker/tools	26¼	22⅜	17	1.96	13.4	2.4	11.76	2.36	2.75
Chesapeake/paper products	38⅝	32	21	3.35	11.5	3.2	29.59	3.93	4.81
Chrysler/auto	34⅛	25¼	35	7.31	4.7	2.9	14.31	12.08	11.03
Clark Equip/industrial equip	30⅞	28	10	1.73	17.8	3.6	32.49	2.89	4.79
Data General/computer equipment	56¾	48½	17	3.55	16.0	—	24.32	4.15	3.81
Esterline/precision inst	22¾	27⅝	–18	2.14	10.6	3.2	10.42	2.55	3.13
Federal Paper Board/paper products	22¾	18¼	25	2.93	7.8	3.1	14.41	3.55	3.41
Foxboro/electrical equip	28	29½	–5	0.49	57.1	3.7	23.65	2.10	3.34
Georgia-Pacific/paper, forest prods	27⅛	18⅝	46	2.24	12.1	2.9	19.48	3.04	3.53
BF Goodrich/tire and rubber	29⅞	28½	5	3.06	9.8	5.2	45.45	3.74	6.00
Joy Mfg/construct machinery	27	23¼	16	1.80	15.0	5.2	24.06	2.25	2.64
Koppers/diversified chemical	19¾	19⅜	2	1.28	15.4	4.1	19.39	2.18	2.86
Lotus Development/software	29¾	18¾	59	1.97	15.1	—	5.31	2.76	3.37
Marshall Inds/electronics	24	23¾	1	3.08	7.8	—	12.92	NA	3.58
Mead/paper & forest prods	39	31	26	4.17	9.4	3.1	31.06	5.46	5.59
Moore McCormack Res/cement	23⅞	21½	11	1.91	12.5	4.4	39.42	2.91	4.43
Paccar/trucks	50⅛	41¼	22	6.91	7.3	4.4	36.88	7.09	7.45
Signal Cos/industrial machinery	34	26⅝	28	2.39	14.2	2.9	23.00	3.19	3.45
Singer/precision inst	37¾	28⅝	32	2.57	14.7	0.3	15.49	4.18	4.35
St Regis/paper & forest prods	55½†	37	50	NA	NA	—	NA	5.25	5.23
United Energy Res/natural gas	29¼	24	22	2.32	12.6	8.5	32.85	3.67	3.98

*As published in FORBES, July 30, 1984. †Acquired by Champion International. NA: Not available.

Sources: Wilshire Associates; Standard & Poor's Stockpak-II System; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; FORBES

The low-P/E list is off to an early lead, with a gain of 27.2%, vs. 20.6% for the Wilshire index (both figures exclude dividends). It did well mostly because of the bank and utility stocks on it, groups that have recently recovered sharply from their depressed levels. The best stock on this list was Golden West Financial, up 123%.

In sharp contrast, the Pure Play Book Value Fund slipped 3.7% and recorded the worst performance during the initial stretch. This portfolio shows that book value is not the same as value. Look at Crompton Co. The books told only part of the story. Crompton, one of the oldest textile firms in the U.S., has seen its operating income decline over the past few years. Its bloated book value came from textile production machinery with limited resale value. Crompton filed for bankruptcy last October and is being liquidated.

During the same month, Transcontinental Energy also filed for bankruptcy under Chapter 11. Continental Illinois survived a painful restructuring. The future value of the bank is much in doubt, but some shareholders see another Chrysler and have bid the stock up.

Our 1967 dart board portfolio had

Last place: The Pure Play Book Value Fund

Now we know why Ben Graham said to look for more than just book value. This portfolio declined 3.7%

Company/business	Price			Latest 12 months		Yield	Book value	Estimated EPS 1985
	recent	original*	% change	EPS	P/E			
Allied Supermarkets/supermarkets	2⅞	2⅝	10%	$0.00	NM	—	$7.23	$0.10
Barber-Greene/construct machinery	5	5	0	−11.14	NM	—	2.06	−3.05
Biotech Capital/venture capital	2⅝	2¼	17	NA	NA	—	3.68	NA
Charter Co/integrated oil	3⅜	2⅛	59	−39.88	NM	—	25.16	3.50
Consumers Power/electric utility	6¼	6⅛	2	1.66	3.8	—	25.92	1.46
Contl Illinois/bank holding	5½†	5⅝	−2	NA	NA	NA	NA	NA
Crocker National/bank holding	25½	16⅞	51	−15.93	NM	1.6%	52.80	2.48
Crompton/textiles	4½‡	9⅛	−51	NA	NA	—	NM	NA
Digicon/oilfield svcs	2⅝	4¾	−45	−12.32	NM	—	11.17	−2.42
Evans Products/building materials	4½	5⅜	−16	−6.96	NM	—	9.63	−1.50
General Pub Utils/electric utility	12¾	8½	50	1.53	8.3	—	24.23	1.97
Inspiration Res/metals and mining	5¼	8⅜	−37	−2.25	NM	—	15.59	0.45

A SMALL UNMANNED TROLLEY GOES INTO A DARK WAREHOUSE. IT UNLOADS AT ONE SHELF. IT THEN GETS AN ORDER TO PICK-UP A BOX AT ANOTHER STATION. IT STOPS ON ITS WAY TO LET OTHER TROLLEYS PASS. IT FINDS THE STATION, PICKS UP THE BOX, TELLS THE COMPUTER TO REGISTER THE NEW STOCK SITUATION. IT GOES OUT INTO THE DAYLIGHT. IT DELIVERS THE BOX TO A TRUCK AT A LOADING BAY. WHEN IT PASSES THE DOORWAY IT CHARGES ITS ELECTRICAL BATTERIES THROUGH A CABLE.

AFTER THE JOB IS DONE, IT STOPS AND WAITS FOR A NEW ORDER. IT GOES 24 HOURS A DAY. IT NEVER FORGETS TO REGISTER WHAT IT IS DOING. IT IS A CARRIER FROM VOLVO AUTOMATED SYSTEMS, A COMPANY IN THE VOLVO GROUP.

VOLVO

Last place: The Pure Play Book Value Fund

Company/business	Price recent	Price original*	% change	Latest 12 months EPS	Latest 12 months P/E	Yield	Book value	Estimated EPS 1985
Keystone Consol Inds/steel	3	4¼	–29%	$–3.62	NM	—	$18.45	NA
Long Isl Lighting/electric utility	8¼	5⅜	53	3.01	2.7	—	19.28	$2.90
Manufacturers Hanover/bank holding	40¼	25⅜	59	7.12	5.7	8.0%	63.62	8.04
Manville/building materials	8½	8¼	3	1.47	5.8	—	34.62	1.13
Marine Midland Banks/bank holding	33⅜	20⅛	66	4.17	8.0	4.8	52.88	5.48
Offshore Logistics/oilfield svcs	2⅞	5¼	–45	–16.22	NM	—	7.99	–4.47
Peoples Restaurants/restaurants	⅜	1¼	–70	–3.59	NM	—	2.14	NA
Petro-Lewis/oil, gas explor, prod, dev	4	4¼	–6	–2.98	NM	—	4.61	–1.75
Public Svc Ind/electric utility	8⅛	8⅝	–6	2.07	3.9	12.3	27.24	1.11
Republic Steel/steel	22 **	22½	–2	NM	NM	NM	NM	NM
Transcontl Energy/oilfield svcs, energy	1/32†	¾	–89	NA	NA	—	NM	NA
Twin City Barge/maritime	1¼	1¾	–29	–6.58	NM	—	0.50	–2.30
Wheeling-Pitt Steel/steel	14⅛	21⅝	–35	–4.62	NM	—	61.35	5.00

*As published in FORBES, July 30, 1984. †Recent value represents 1 share of Cont'l. Hldg. and 1 right to new Cont'l. Illinois. ‡Chapter 11 **Acquired by LTV. NA: Not available. NM: Not meaningful.

Sources: Wilshire Associates; Standard & Poor's Stockpak II System; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; FORBES

one extremely lucky pick, Texas Oil & Gas, which jumped more than 7,000%. Lightning has yet to strike twice. But Iomega, on our random list of 1984, is up 129% in seven months. The random portfolio, with an 18.1% gain, seems to be mirroring the overall market. But give the computer credit for having picked two buyouts. American Sterilizer went private this February, a 38% gain on our imaginary investment. And K mart bought out Home Centers of America for $11 a share last September.

The Pure Play Analysts' Choice Fund, up 17.5%, performed slightly under the random group. The experts' predictions of handsome earnings gains, it seems, were already incorporated into most share prices. But the security analysts also hit on one acquisition, St. Regis, which was taken over by Champion International.

The Pure Play Growth Fund was the second-best group, with a 19.5% gain. The best issue: The Limited, up 96%. Dysan went from growth to deficits but still gained 44%, thanks to a pending merger with Xidex.

Stay tuned for further results. ■

VOLVO PENTA IS THE MOST 'INTERNATIONAL' OF ALL VOLVO COMPANIES, MARKETING MARINE AND INDUSTRIAL ENGINES AND PROVIDING AFTERSALES SUPPORT IN 130 MARKETS.

TWENTY-FIVE YEARS AGO VOLVO PENTA REVOLUTIONIZED THE MARINE POWER INDUSTRY WITH THE INTRODUCTION OF THE AQUAMATIC INBOARD/OUTBOARD DRIVE. THE AQUAMATIC DRIVE CAN NOW BE EQUIPPED WITH ANOTHER EXCITING INNOVATION, THE 'DUOPROP,' WHICH IMPROVES BOAT PERFORMANCE AND HANDLING, SAVES FUEL AND ENSURES THAT VOLVO PENTA WILL STAY COMPETITIVE IN THIS BUOYANT MARKET.

VOLVO

Bean traders can now choose one of two ways to take a market position. Either will let them indulge their taste for risk.

TAKE YOUR PICK

By Stanley W. Angrist

The U.S. Department of Agriculture published its final 1984-85 soybean crop report in late January, and it contained a little surprise for bean traders. However, the bullish report was diluted somewhat by the bearish corn report. Utilizing the USDA supply/demand estimates, it appears that the carryover will be only 174 million bushels, instead of the 270 million bushels envisioned by the trade.

These smaller numbers are causing more attention than usual to be devoted to the southern hemisphere crop. The leading Brazilian producing states have been dry and hot in recent weeks. Because weather shifts in the bean-producing states can occur rapidly, it is impossible at this writing to estimate the likelihood of weather damage.

The strong dollar is continuing to take its toll on exports, which are 23% below year-ago levels and 32% below the 1982-83 marketing-year sales. If the dryness persists in Brazil, an event that would cause the demand for U.S. beans to rise, our bean exports could exceed the currently estimated total of 720 million bushels. Last year exports were 740 million bushels.

There are three factors then that could cause a small rally in the bean market: 1) the reduced carryover stemming from the lower crop total for the year just ended; 2) the continuation of hot, dry weather in Brazil and; 3) a weakening in the U.S. dollar, which would make U.S. beans more attractive to overseas purchasers.

Given my bias toward the upside in this market, I will suggest two trading methods that might produce a profit. The first is an old crop/new crop bull futures spread. The second is a slightly bullish soybean option spread. The futures trade involves buying July, while selling the November contract. Try to do the spread with July at a premium of less than 4 cents to November. If the spread closed with July at more than an 8-cent discount to November, exit the position. (That level is the lowest the spread has reached this crop year.) I would look for a profit of 30 cents ($1,500 per spread) from my entry point. The table shows the results of this spread over the last 17 years. Margin on this spread is $250, with a round-turn commission of about $40 from a discount broker.

Bean time!

July beans have a pretty good track record for gaining on November beans from midwinter into spring. The median gain is about $750, the median loss about $425. The entry and exit positions are shown in cents per bushel for July beans minus November beans; the profit or loss in dollars per spread.

Year	Entry	Exit	Profit
1968	9.52¢	10.92¢	$ 70
1969	25.57	33.52	397
1970	13.10	10.72	–119
1971	24.38	10.67	–685
1972	21.47	36.65	759
1973	67.63	351.80	14,208
1974	14.30	10.10	–210
1975	23.30	12.25	–552
1976	–13.80	–11.95	97
1977	33.20	227.70	8,725
1978	14.55	89.75	3,760
1979	43.15	15.05	–1,405
1980	–26.30	–29.55	–162
1981	–19.15	–25.40	–312
1982	–9.10	–7.15	97
1983	–7.85	–23.40	–777
1984	49.45	128.55	3,955

Since I last wrote about soybeans or its products, the Chicago Board of Trade has introduced options on soybean futures contracts. The strike prices are set at integral multiples of 25 cents per bushel, while the premiums and the strike prices are quoted in cents per bushel. Options provide another alternative for risk-takers in the bean market.

In this case, I believe that a bullish vertical call spread offers a reasonable profit opportunity with limited risk. I suggest buying the July 575 call and selling the July 650 call, with a net debit of no more than 30 cents. Such a trade would require a trader to put up the debit amount of 30 cents ($1,500). The maximum profit is the difference between the strike price of the option bought (575) and the option sold (650) less the debit amount (30 cents). Thus, in this case, the maximum profit is 45 cents, or $2,250 per spread. That means that the reward-to-risk ratio is 1.5. The break-even point for the spread is obtained by adding the debit amount to the strike price of the option purchased, giving a downside break-even of $6.05. That is, if July soybeans are at any price above $6.05 when the soybean options expire in mid-June, then the trade will show a profit.

The commission on this trade would be around $40 for both options on a round-turn basis from a discount broker. The advantage of the option trade over the futures trade is that the risk is limited absolutely to the debit amount. On the other hand, if the trade is held until the options expire and the price of beans is below $6.05, then all of the net debit premium ($1,500) will be lost. You pays your money and takes your choice. ■

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

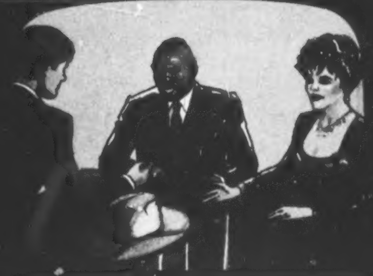
C3950-1

MARCH 25, 1985 THREE DOLLARS

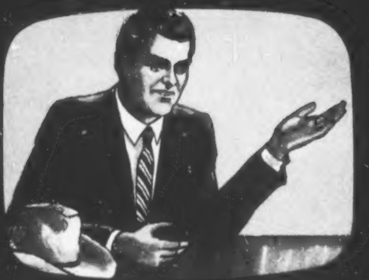
Forbes

AS THE NETWORKS CHURN

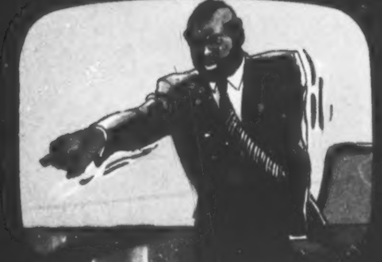
Announcer voice-over
THE HUMAN STORY OF TODAY'S NETWORK EXECUTIVES AS BLOOD PRESSURES RISE AND NIELSEN RATINGS FALL.



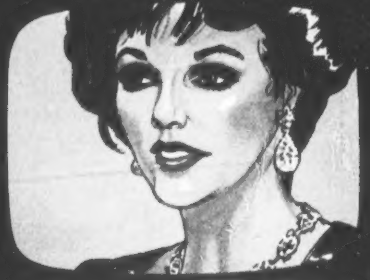
Executives 1, 2 and 3
at boardroom table
EXEC 2: EVERYBODY SAYS WE'RE FINISHED, THAT WE CAN'T CUT IT NO MORE. WE GOTTA DO SOMETHING!



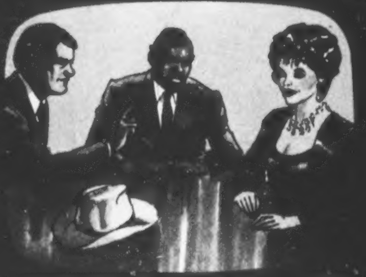
Cut to executive 1
LET 'EM BELIEVE WHAT THEY WANT. WE STILL HAVE A REAL SWEET THING GOING HERE.



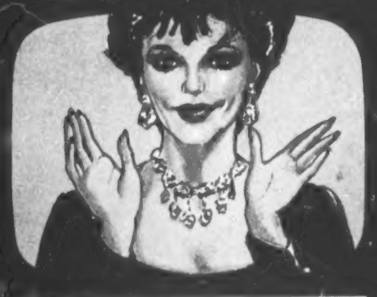
Cut to executive 2
YOU'RE WRONG, TURKEY! THE ADVERTISERS KEEP MAKING NOISES ABOUT DESERTING US. THEY'RE GETTING OUT OF LINE.



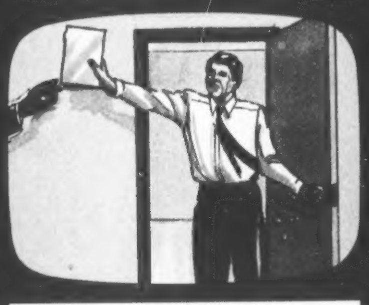
Cut to executive 3
HE'S RIGHT. ALL THOSE STUPID SUITS ON MADISON AVENUE. WE HAVE TO PUT THEM IN THEIR PLACE.



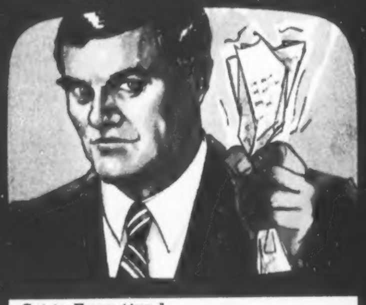
Medium shot of Executives 1, 2 and 3
EXEC 1: NOW DON'T WORRY, DARLING. THIS REQUIRES FINESSE. WE'LL DAZZLE THEM WITH DEMOGRAPHICS.



Cut to Executive 3
(squealing with delight)
YESSS! SEDUCE THEM WITH QUALITY. OR GET THE NUMBERS TO TURN SOME NEW TRICKS!



Cut to door as messenger enters
MESSENGER: OVERNIGHTS!
YOU'VE ALL LOST ANOTHER SHARE POINT EACH.

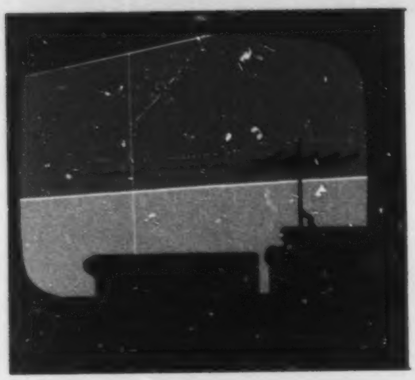


Cut to Executive 1
MERCY ME. WELL, WE MAY NOT BE THE ONLY GAME IN TOWN, BUT BY GOLLY WE'RE STILL THE BEST GAME

************5-DIGIT 20814
T2514030 BF ZZ E2#1
JOSEPH MCNALLY
SRI ACQUISITIONS
4520 EAST WEST HWY
BETHESDA MD 20814

Forbes

March 25, 1985
Volume 135
Number 6



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March 25, 1985 Volume 135 Number 6 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1985 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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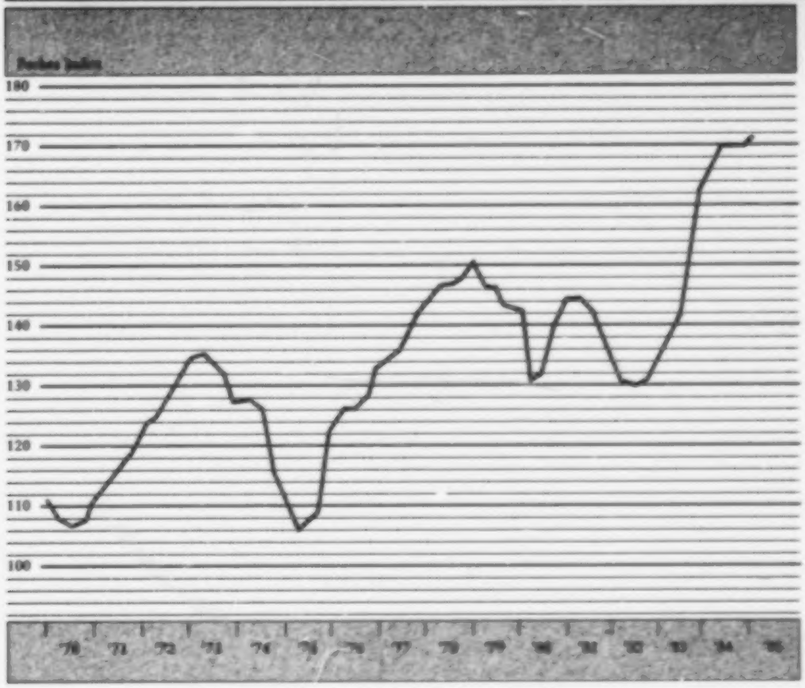
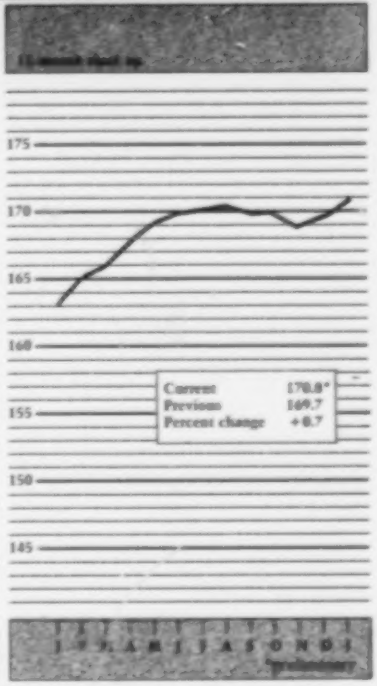
Cover illustrations by Gem Studio

The Forbes Index





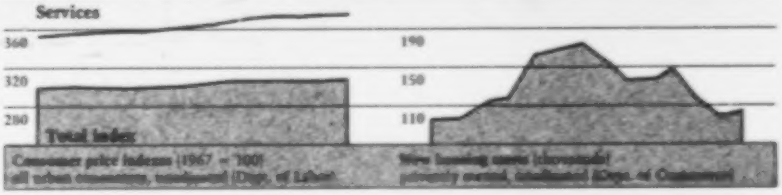
Current	170.8*
Previous	169.7
Percent change	+0.7

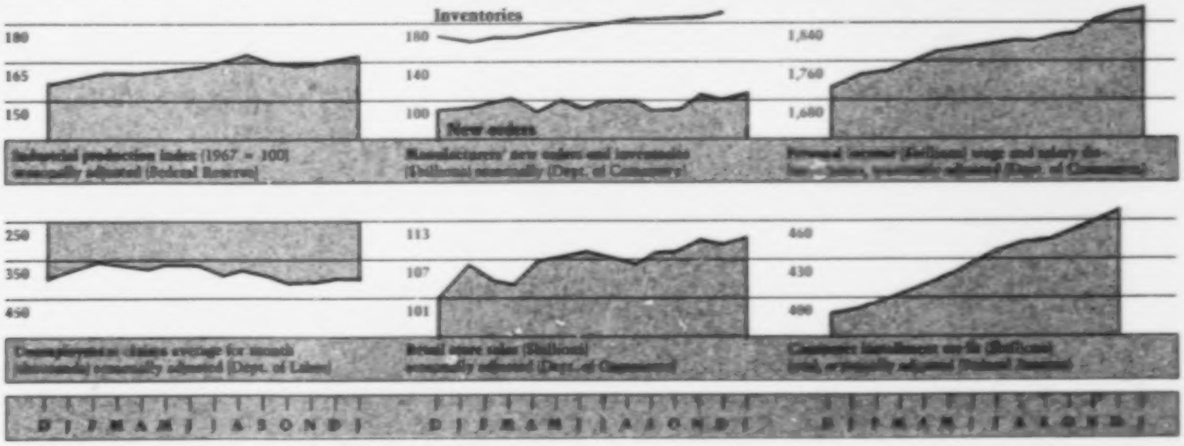
Pedal to the metal. Our latest look at the Forbes Index shows a healthy 0.7% rise over the previous month, one of the sharpest gains since April 1984. New housing starts, though still some 4.4% lower than they were one year ago, recorded an 8% month-to-month rise. Manufacturers' new orders advanced 3.8% over month-earlier figures. Meanwhile, retail sales are up 0.7%, industrial production 0.4%, and personal income 0.3% over month-earlier results. The Consumer Price Index rose 0.2% over the previous month, while the services component of the CPI increased twice as much. But on an annualized basis, a 2.3% growth rate for the CPI and a 4.9% growth rate for services still compares quite favorably to the double-digit inflation levels of just a few years ago.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

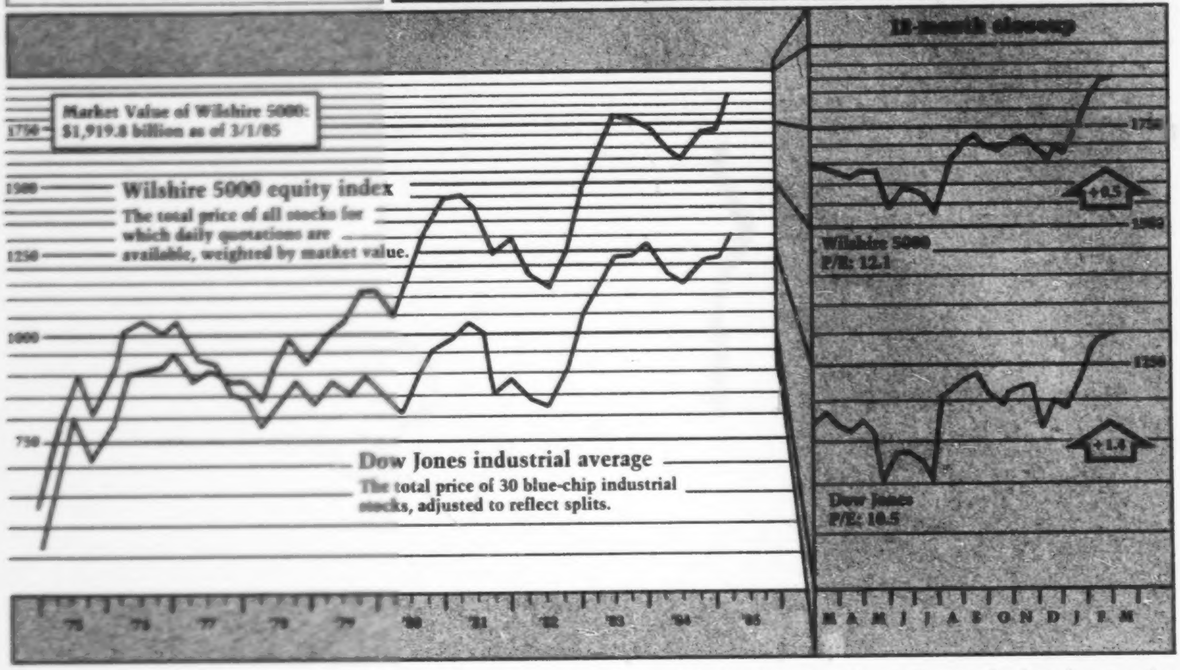
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.





Edited by Steve Kichen

The Forbes/Wilshire 5000 Review



The blue chips pick up the slack. While the Dow industrials closed the last day of the most recent two-week period at an alltime high, secondary issues faltered slightly toward the end of the stretch. The Dow gained 1.4%, the Wilshire 0.5%, the NYSE 0.7% and the Forbes 500s 1.1% during the last ten trading days. But the Amex slipped 1.1% and the NASDAQ 0.2% over the same time period. The NASDAQ, however, still shows the best four-week performance with a 3.2% gain. In fact, since the start of the new year, NASDAQ issues are up some 16.1%, vs. a 7.2% gain for the Dow and a 10% gain for the NYSE. Our investor yardsticks below show the comparatively strong demand for higher-risk shares during the last four weeks. For example, high-growth stocks advanced 9.3% while low-growth issues moved up only 2.9%. In light of this strong performance, the recent profit-taking in secondary issues was only to be expected.

The Wilshire index is now selling at 12.1 times latest 12-month earnings. The last time the Wilshire P/E was higher, at 12.4, was in mid-February of last year. During the bull market that began in August of 1982 the Wilshire peaked at 14.9 times earnings late in June 1983. Unless corporate earnings take an unexpected dive, the market still seems to have room to expand.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
In last 4 weeks	2.7	2.5	1.7	2.7	2.8	3.2
In last 52 weeks	15.2	15.2	10.9	11.7	7.4	12.4

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
In last 4 weeks	2.5	6.7	7.0	2.9	4.4	4.1	2.3	9.1	9.3	2.9	3.7	6.9
In last 52 weeks	17.4	20.6	10.3	22.9	8.6	24.1	19.9	15.9	11.5	22.8	23.2	1.5

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 3/1/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

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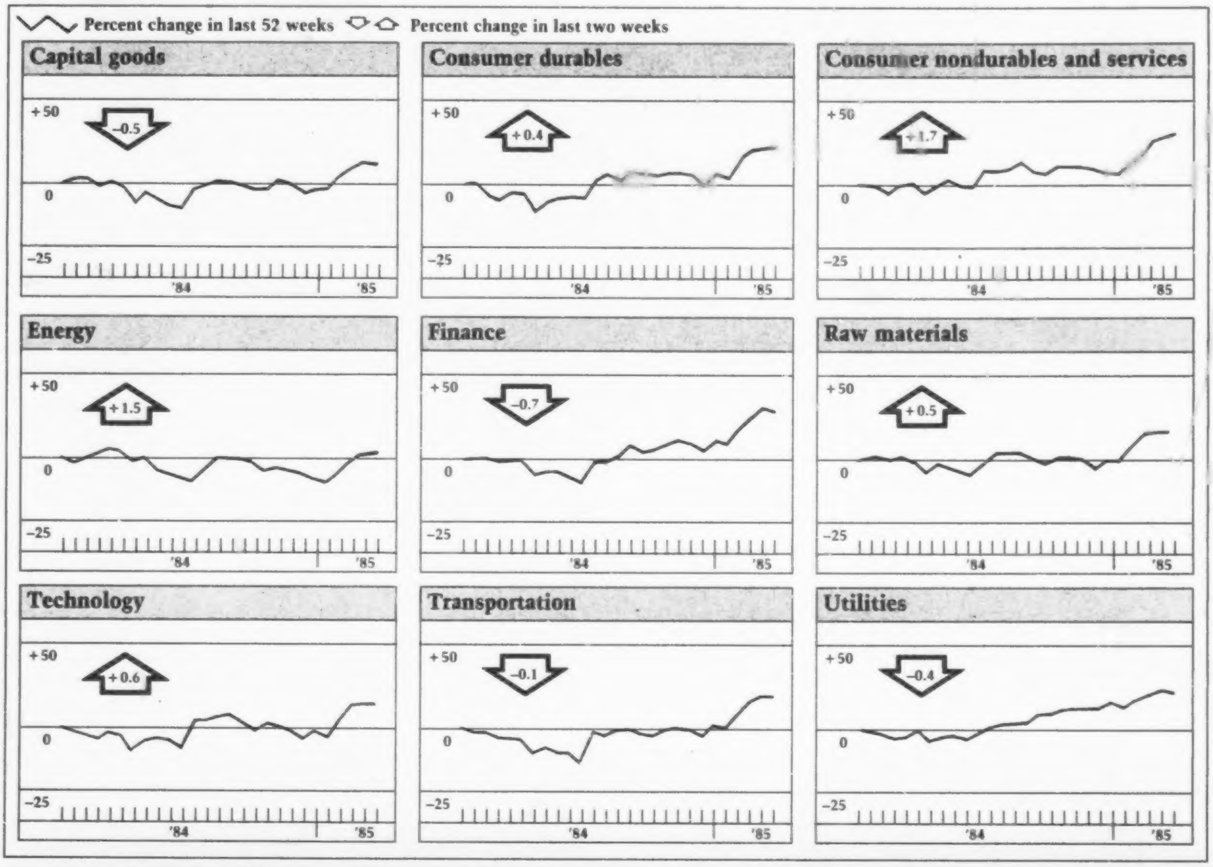
Where The Action Is

Down but not out. Finance shares show the weakest two-week performance, with a 0.7% decline. But the biggest losses came at the start of the period, and both money-center banks and the brokerage stocks were on the rebound at the close. The second-poorest-performing group was capital goods, which lost 0.5%. Utility shares had their first loss this year with a 0.4% decline, while transportation shares are off by 0.1%.

The consumer nondurables sector takes first-place honors for both two- and four-week performance. This sector is up 1.7% for the latest two weeks and 5% for the latest four weeks. Meanwhile, energy shares—boosted by the battle for Phillips Petroleum and the emerging struggle for Unocal—were up 1.5%.



What The Analysts Think

Low growth and high growth. Utility shares, at 7.1 times 1985 earnings estimates, sport the lowest estimated P/E among the nine Wilshire sectors. At the other extreme are technology shares, at 11.2 times estimated 1985 earnings. Between these two groups is The Forbes 500 (sales), which is selling at an estimated 1985 P/E of 8.9.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.81	10.4
1985 estimates	4.46	8.9
1986 estimates	5.03	8.2

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Transportation	$3.34	8.3	–0.04%	–0.58%
2	Utilities	3.62	7.1	–0.19	–0.37
3	Finance	3.46	8.9	–0.28	0.00
4	Consumer nondurables	2.73	10.6	–0.40	–1.07
5	Capital goods	3.07	10.9	–0.68	–1.01
6	Energy	3.80	7.5	–1.34	–2.37
7	Technology	3.12	11.2	–1.87	–3.71
8	Raw materials	2.63	9.2	–1.90	–3.30
9	Consumer durables	4.95	8.1	–3.05	–3.01

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 3/1/85. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

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Statistical Spotlight

The spinoff is sometimes a great trick for boosting share values, sidetracking unwanted suitors or unloading dogs.

The parts and the whole

By Leslie Pittel

BY SPINNING OFF from RLC Corp., we are telling the world that we are now mature and are able to stand on our own financially," says Thomas Blank, director of external affairs for Rollins Environmental Services. "It's a way of saying, 'Look at us, we're growing.' " Wall Street apparently is looking. Shares of Rollins Environmental are up over 300% since the August 1982 spinoff.

But few spinoffs produce such spectacular results. Although many analysts boast of the profits to be made on the stocks of companies that have had spinoffs, we found that the results are less than dramatic.

The table below reviews a sample of 31 spinoffs since 1981. A spinoff, by

Patrick McDonnell

Spinoffs: a 50-50 proposition

We looked at these spinoffs—mostly by NYSE companies—from 1981 to the present. Leader Rollins Environmental Services quadrupled in less than three years, but only 17 of the 30 other spunoff firms outperformed the Wilshire index. Of the 23 parent firms listed, 14 beat the market. In 15 cases a share of the parent plus the proportional shares of the scion (0.1, for example, in a 1-for-10 distribution) bested the market.

			Parent			Spinoff			% change	
Parent	Spinoff	Spinoff date	price as of spinoff date	recent value	% change	price as of spinoff date	recent value	% change	parent + spinoff(s)[1]	Wilshire index
Amer Natural Res	Primark	1/4/82	$24.67	$48.13	95.1%	$15.67	$35.13	124.2%	99.1%	43.8%
AT&T	Ameritech	2/16/84	16.88	21.00	24.4	67.88	82.38	21.4	21.5	15.3
AT&T	Bell Atlantic	2/16/84	16.88	21.00	24.4	72.50	83.50	15.2	21.5	15.3
AT&T	BellSouth	2/16/84	16.88	21.00	24.4	31.29	35.63	13.8	21.5	15.3
AT&T	Nynex	2/16/84	16.88	21.00	24.4	62.13	79.38	27.8	21.5	15.3
AT&T	Pacific Telesis	2/16/84	16.88	21.00	24.4	58.38	71.13	21.8	21.5	15.3
AT&T	Southwestern Bell	2/16/84	16.88	21.00	24.4	60.88	72.75	19.5	21.5	15.3
AT&T	US West	2/16/84	16.88	21.00	24.4	61.00	73.25	20.1	21.5	15.3
Bairnco Corp	Kaydon	4/13/84	23.33	33.13	42.0	5.50	9.50	72.7	47.8	15.1
Canal-Randolph	United Stockyards	6/6/84	53.25	59.88[2]	8.4	7.25	12.38	70.7	26.0	16.9
CenCor	La Petite Academy	9/2/83	15.00	21.25	41.7	11.75	18.88	60.6	53.2	6.1
[illegible]	Cenergy	10/1/84	26.75	24.63	−7.9	44.75	9.13	−79.6	−40.1	10.0
Cooper Labs	CooperVision	12/15/83	11.50	15.63	35.9	14.43	20.88	44.6	40.8	19.5
Dillingham[3]	Ala Moana Hawaii Prop	7/30/81	11.13	25.00	124.7	20.63	18.15[4]	−12.0	35.9	34.9
Houston O & M[5]	Seagull Energy[6]	3/12/81	49.38	16.56	−66.5	20.00	17.13	−14.4	−63.2	34.4

[1] Based on proportional distribution of spinoff per one share of parent. [2] Includes liquidating dividends. [3] Went private on 3/18/83 @ $25 per share. [4] Current price plus dividends to date. [5] Merged into Tenneco; recent value reflects proportional value of Tenneco + one unit H.O. Trust. [6] Formerly Seagull Pipeline.

Spinoffs: a 50-50 proposition

			Parent			Spinoff			% change	
Parent	Spinoff	Spinoff date	price as of spinoff date	recent value	% change	price as of spinoff date	recent value	% change	parent + spinoff(s)[6]	Wilshire index
KN Energy	Midlands Energy[7]	12/13/83	$27.00	$36.25	11.1%	$15.25	$26.30	72.5%	48.0%	7.3%
Masco Corp	Masco Inds	7/2/84	25.00	31.38	25.5	19.00	40.25	111.8	28.7	20.5
Natomas[8]	American Pres Cos	9/1/83	23.63	18.63	−21.2	18.33	41.75	127.8	−1.2	6.7
Newhall Land & Farming	Newhall Invest Prop	3/30/83	22.38	46.50	107.8	12.18	20.72[9]	70.9	89.4	15.6
Newhall Land & Farming	Newhall Resources	3/30/83	22.38	46.50	107.8	11.38	11.78[9]	3.5	89.4	15.6
Peabody Intl	GEO International	2/19/81	7.00	8.13	16.1	32.13	5.63	−82.5	−64.9	41.1
Peoples Energy	MidCon Corp	12/21/81	8.25	15.50	87.9	29.75	45.00	51.3	59.2	43.2
Perini Corp	Perini Invest Prop	5/3/84	28.63	26.38	−7.9	11.75	12.38	5.3	−4.0	12.0
Phibro-Salomon[10]	Engelhard	5/27/81	16.00	37.00	131.3	29.50	27.00	−8.5	71.9	30.2
Philadelphia Suburban	Enterra	7/8/81	16.25	17.75	9.2	44.75	10.63	−76.3	−63.1	36.2
RJ Reynolds Inds	Sea-Land	6/20/84	55.13	79.50	44.2	17.25	24.50	42.0	44.1	17.0
RLC Corp	Rollins Environ	8/9/82	4.00	7.63	90.6	4.50	19.25	327.8	176.0	74.8
Rollins	Rollins Comm	7/2/84	8.00	11.63	45.3	15.38	20.75	35.0	37.1	18.0
Rollins	RPC Energy Services	7/2/84	8.00	11.63	45.3	3.75	4.38	16.7	37.1	18.0
Texas Intl	Regal International	6/1/82	11.75	2.25	−80.9	1.75	1.00	−42.9	−78.2	60.4
Time	Temple-Inland	1/27/84	44.38	47.63	7.3	34.00	35.25	3.7	6.5	8.6

[7] Merged into Freeport-McMoRan on 12/4/84; recent price reflects proportional value of Freeport. [8] Merged into Diamond Shamrock on 9/1/83; recent value reflects proportional value of Diamond Shamrock. [9] Current price plus dividends paid to date. [10] Formerly Phibro Corp.

Statistical Spotlight

our definition, is a distribution by a company to its shareholders of shares in a subsidiary. It does not include other reorganizations in which the subsidiary's shares are sold *(see story, p. 129)* or are traded for stock in the parent. Out of the 23 slimmed-down parent companies, only 14 beat the Wilshire index. The table also shows that investors who bought just the spunoff company on the day of the spinoff would have done better than the market in 18 cases. Investors holding both the parent and the spunoff company would have beaten the market in 15 cases.

"Firms have spinoffs because they hope that the combined sum of the parent and the spunoff part eventually is worth more than the whole," says Nikos Monoyios, a vice president at the Guardian Park Avenue Fund, a FORBES honor roll mutual fund that looks at spinoffs as one criterion for selection.

A subsidiary that is buried under the reputation of the parent may not be given the attention it deserves in the marketplace. As part of RLC, Rollins Environmental, a hazardous waste cleanup firm, was overshadowed by two large trucking subsidiaries. Amendments to the Resource Conservation & Recovery Act by Congress last year will be a tremendous boost to a specialized firm like Rollins Environmental. But the firm's abilities might have received far less attention if it were still part of RLC. Now the company is tracked by experts in the waste disposal industry rather than by trucking analysts.

Firms may do a spinoff to get around government regulations or tax laws. And sometimes opportunity can be thrust upon a company. It was AT&T's antitrust settlement with the Justice Department, after all, resulting in its spinning off seven regional holding companies, that enabled AT&T to move into the com-

The spinoff game in the oil patch

A few years back, when the tax laws were somewhat different and the energy industry was booming, some smart oil executives spun off part of their corporate assets as royalty trusts. Trust income is distributed directly to shareholders, avoiding income tax at the corporate level. Including the often substantial cash payouts from the trusts, three out of the four spunoff firms outperformed the Wilshire index.

			Parent			Spinoff			% change	
Parent	Spinoff	Spinoff date	price as of spinoff date	recent value	% change	price as of spinoff date	recent value[1]	% change	parent + spinoff[2]	Wilshire index
Freeport-McMoRan	Freeport-McMoRan Oil & Gas	10/12/83	$21.88	$20.00	−8.6%	$6.63	$11.50	73.6%	5.3%	4.0%
La Land & Explor	LL&E Royalty Trust	7/6/83	25.00	34.00	36.0	13.25	18.86	42.3	37.3	2.9
Mesa Petroleum	Mesa Offshore Trust	12/30/82	11.63	18.50	59.1	1.88	2.75	46.7	57.4	28.0
Sabine Corp	Sabine Royalty Trust	1/3/83	15.13	17.13	13.2	20.50	23.57	15.0	29.5	29.4

[1] Current price plus dividends paid to date. [2] Based on proportional distribution of spinoff per one share of parent.

puter industry. So far, shareholders have come out ahead. The new AT&T and five of the seven regionals are outperforming the Wilshire index.

"Michigan Consolidated Gas, our main subsidiary, is able to obtain more favorable regulatory treatment now as a separate firm than it could while it was affiliated with American Natural Resources," says John Lewis, a spokesman for Primark Corp. Since Primark, a gas distributor, was spun off from American Natural Resources, its shares have more than doubled.

Shares of American Natural Resources are up 95% since Primark became a separate company. "American Natural Resources did not have a very good return when Michigan Consolidated was a subsidiary. Without that situation they're doing much better," says Lewis.

The spinoff reorganization has also had tax advantages, although Congress has recently curtailed them. The royalty trust spinoff, popularized by takeover artist T. Boone Pickens, was aimed at eliminating the double taxation of oil well profits (once at the corporate level, once at the shareholder level). "You can give the trust to the shareholder with direct interest in the income and let him pay taxes on an individual basis," explains Frederick Leuffer, an analyst with Cyrus J. Lawrence in New York. The trust acts as a partnership, paying no corporate taxes itself.

Changes in the tax laws have made it more difficult for an oil company to spin off a royalty income trust without incurring taxes on the reorganization itself. The table on page 266 lists four royalty spinoffs that occurred during the last three years. Note that the performance figures include income distributions from the trusts.

The spinoff can also be used as a defense against takeovers. Here a firm may spin off a readily salable division in order to prevent the entire company from being bought out. Doing nothing—or selling the division for cash—could attract an unfriendly suitor.

Then again, other companies use the spinoff to get rid of their worst divisions. In 1980 Fuqua Industries spun off Interstate Motor Freight System, a struggling carrier that filed for bankruptcy in 1984.

After chatting with analysts, examining financial reports and checking with our computers, we came up with the list on this page of possible spinoff candidates. We're not promising that any of these companies will restructure this way. But each of these firms appears to have something to gain by splitting off one or more divisions.

How can investors profit from spinoffs? One study, conducted in 1980 by Zavanelli Portfolio Research, a Chicago-based research firm, found [illegible] beating returns at first for investors buying spunoff firms. But the effects of the spinoff become insignificant after about 18 months. The study also found excess returns on the parent's stock between the announcement of the spinoff and the time that the dis[illegible]ok place. ■

Patrick McDonnell

Tomorrow's spinoffs?

Below, nominations from Wall Street analysts of firms that might benefit by distributing shares of subsidiaries to their shareholders. Times Mirror, for example, could make its earnings less recession-sensitive by following Time Inc.'s example and spinning off its forest products business. There is, of course, a good chance that the parents will simply sell, liquidate or continue to operate the divisions in question.

		Latest fiscal year	
Company/principal business	Possible spinoff	sales (mil)	earnings (mil)
American Can/packaging, containers	canning business	$3,177	$132
Amfac/food processing	packaging	2,392	–14
Beatrice Foods/food processing	Avis Corp	9,330	334
Centex/home-building	cement	1,183	51
Control Data/computer equip, svcs	finance, insurance	5,027	102
Crown Zellerbach/paper, forest prods	timber, cnsmr prods	3,095	87
Walt Disney/recreation	real estate	1,656	21
Exxon/integrated oil	office equip	97,276	5,525
IC Industries/multicompany	railroad	4,234	122
ITT/multicompany	hotels, nat resources	20,250	675
Mobil Oil/integrated oil	Montgomery Ward	60,624	1,270
Tandy Corp/retail consumer electronics	microcomputers	2,740	282
Times Mirror/newspapers	paper, forest prods	2,805	233
Wrather/hotels, entertainment	real estate	103	–2
Xerox/office equip	insurance	8,792	291

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April 8, 1985 Volume 135 Number 7 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1985 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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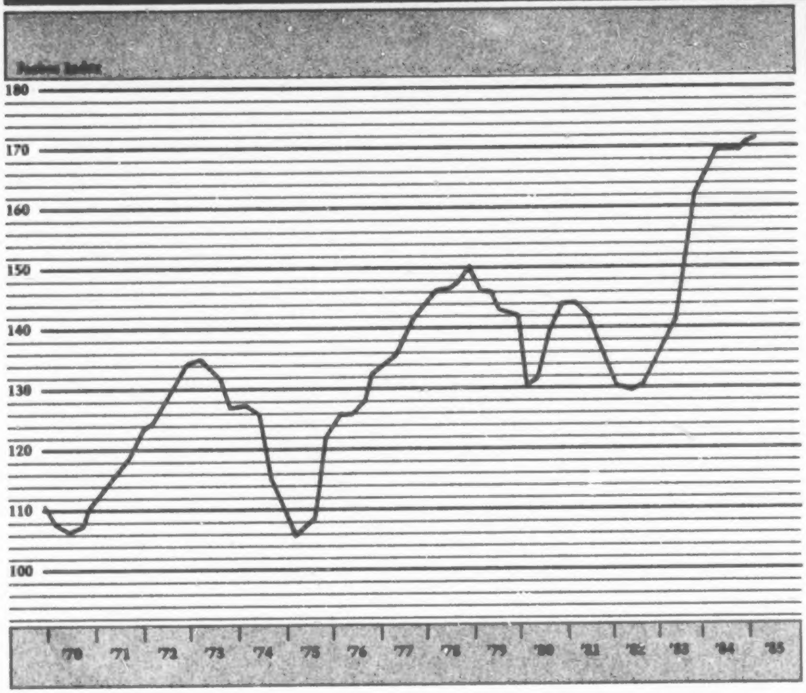
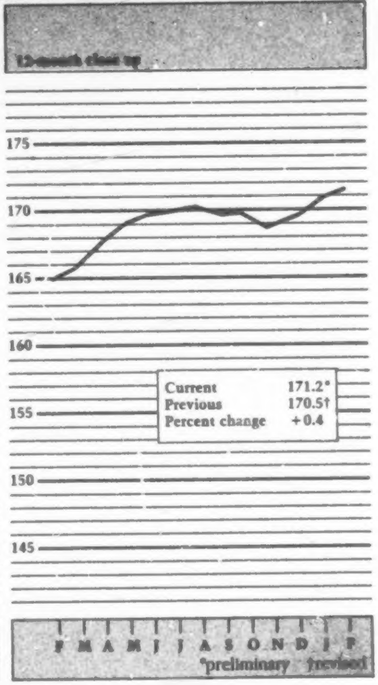
The Forbes Index





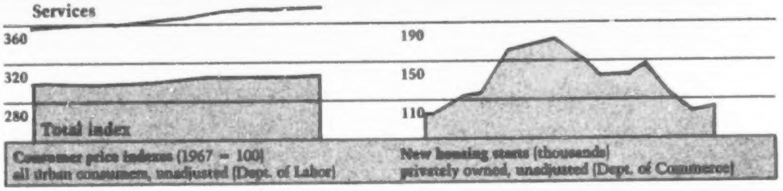
Fighting off some chills. Despite some setbacks, the Forbes Index advanced 0.4% over the previous revised figure. Manufacturers' inventories rose only 0.2% from month-earlier figures, but are 11.5% higher than they were a year ago. Over the same one-year period, however, manufacturers' new orders registered only a 4.4% gain. The relationship of orders to inventories bears further watching. Meanwhile, retail sales posted a 1.4% rise over month-earlier results.

Industrial production shows a 0.5% decline from the previous month. New unemployment claims stand 3.1% higher than they were one month ago and 16.5% higher than they were one year ago. That puts them at the highest level since August of 1983.

The Forbes Index Components

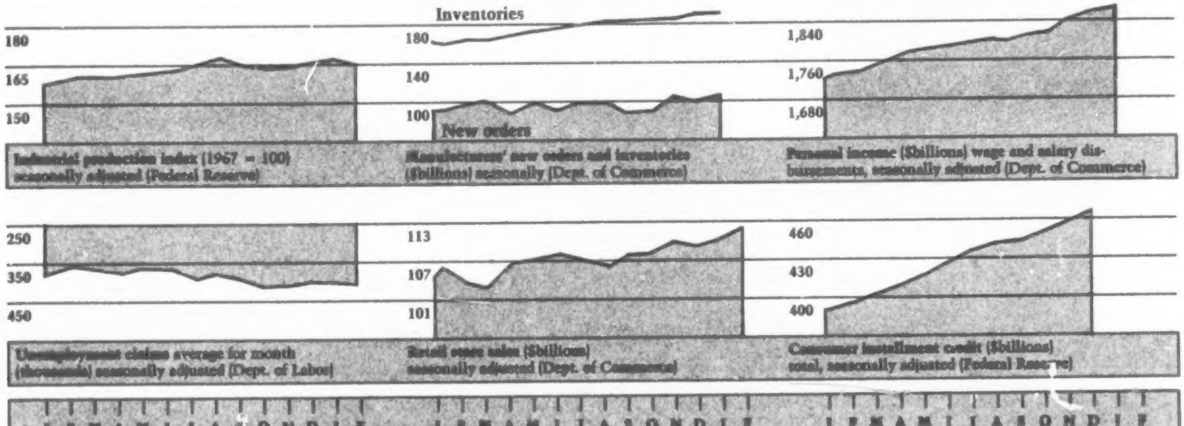
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)

New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)

Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)

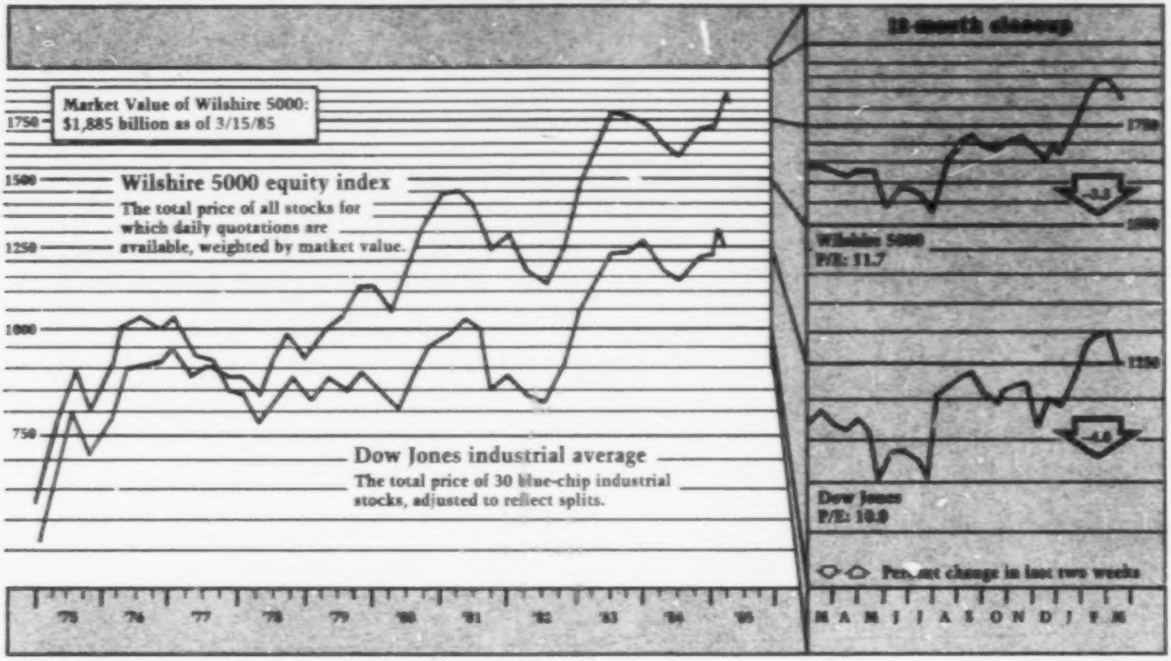
Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Edited by Steve Kichen

The Forbes/Wilshire 5000 Review



Is this any way to treat a rally? The market had been on a roll since the start of the new year, but during the last two weeks investors' confidence was put to the test. The optimists point out that averages never go straight upward without some correcting along the way, and the recent damage may not be as bad as it appears upon first glance. The Dow industrials, showing a 4% loss for the last ten trading days, closed the period holding on to less than a 3% gain since the beginning of January. But the Wilshire index, despite its two-week decline of 3.3%, is 7% higher than it was at the beginning of the year. This translates into a gain of some $129 billion in market capitalization. In addition, the Wilshire stands 11.4% higher than it was 52 weeks ago.

The recent weakness in share prices has, of course, brought down P/E multiples. Two weeks ago the Wilshire index of more than 5,600 issues was selling at 12.1 times latest 12-month earnings. The Wilshire multiple is now down to 11.7, which is a bit lower than it was a year ago. During the last two weeks the P/E on the Dow declined from 10.5 to 10. Analysts are forecasting 18.8% earnings growth in 1985 *(see p. 172)*, which is about the same as 1984's improvement over 1983. If the analysts are close to the mark, many issues are still cheap.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–2.8	–2.1	–2.7	–2.7	–3.3	–3.4
in last 52 weeks	11.4	12.9	5.3	11.7	5.2	9.7

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–3.4	–1.1	–4.6	0.5	–2.6	–2.0	–0.9	–2.2	–1.8	–0.5	–1.3	–2.0
in last 52 weeks	12.8	8.0	7.4	22.6	–0.4	22.3	19.5	11.8	[illegible]	21.7	20.3	–2.3

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[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

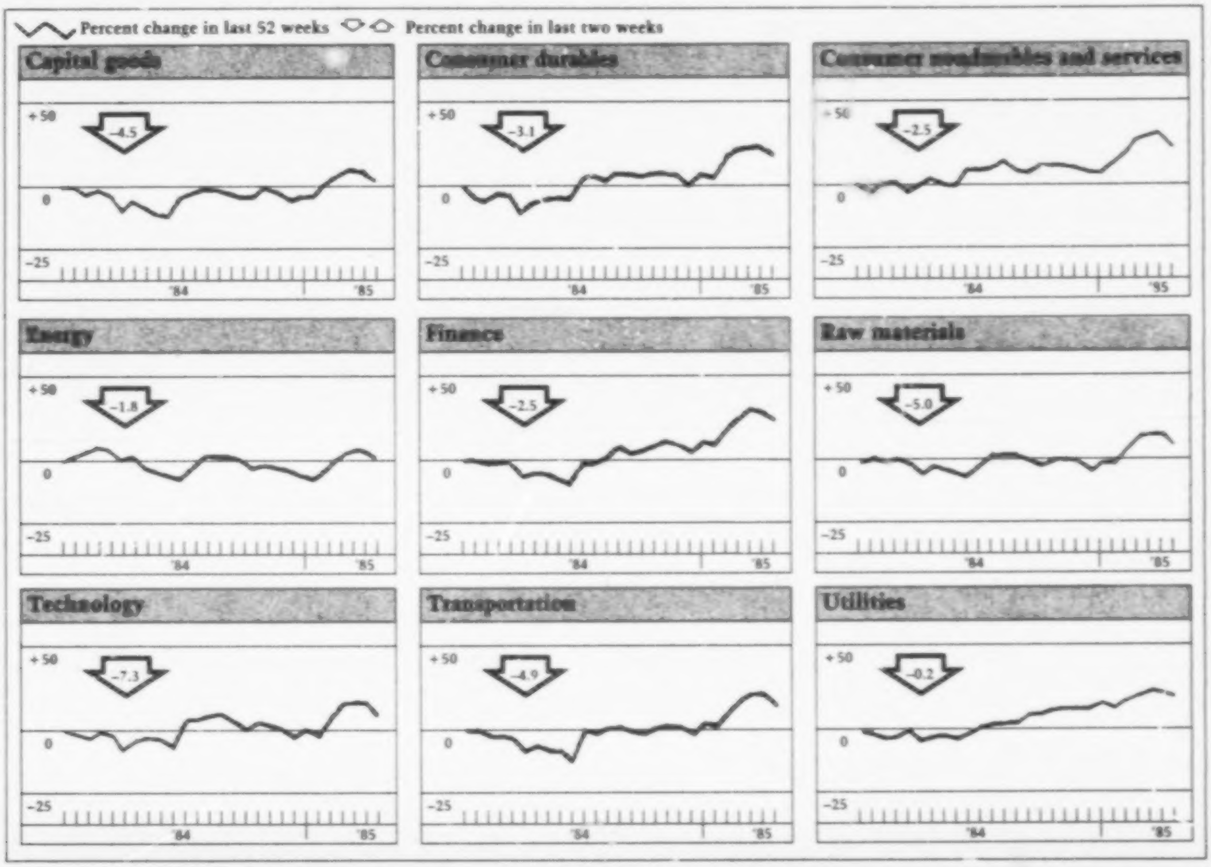
Note: All data for periods ending 3/15/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

The rough road for technology shares. With the Wilshire index slipping more than 3% during the last two weeks, all sectors lost ground. But as has all too often been the case over the last year and a half, technology issues suffered the sharpest setback, a 7.3% decline. With the technology group selling at the highest multiple to estimated 1985 earnings (see below), it is especially vulnerable when well-known firms such as Wang Labs, Data General or Apple Computer report disappointing results.

Losses of between 4.5% and 5% were registered by raw materials, capital goods and transportation shares. Predictably, given their low-volatility profile, utility shares performed best over the recent two-week stretch. But rising interest rates would hurt them.



What The Analysts Think

Less optimism, but still plenty of hope. Except for the finance and utility sectors, security analysts continue to cut their 1985 earnings projections. The good news: The Forbes 500 group is priced at an aggregate 10.5 times latest 12-month earnings but only 8.9 times 1985 estimates and 8.1 times 1986 estimates.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.75	10.5
1985 estimates	4.42	8.9
1986 estimates	4.98	8.1

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	%-change in 1985 estimate in 2 weeks	%-change in 1985 estimate in 4 weeks
1	Finance	$3.51	9.5	0.57%	0.28%
2	Utilities	3.61	7.2	0.07	-0.12
3	Consumer nondurables	2.72	10.9	-0.28	-0.67
4	Transportation	3.30	8.7	-0.31	-0.38
5	Energy	3.76	7.8	-0.95	-2.28
6	Technology	3.08	11.8	-1.28	-3.13
7	Capital goods	3.00	11.2	-1.40	-2.16
8	Consumer durables	4.85	8.0	-2.11	-5.10
9	Raw materials	2.55	9.8	-3.69	-5.[illegible]7

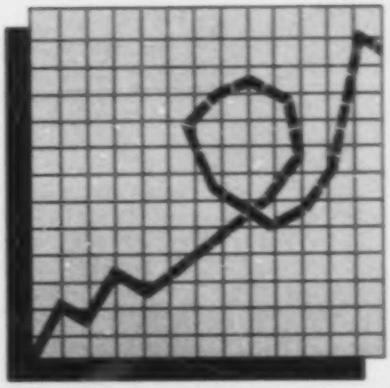
Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 3/15/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Analysts' earnings predictions are wrong more than they are right. But a wise investor still keeps an eye on those estimates.

Outguessing the guessers

By Steve Kichen and Michael Ozanian



EARNINGS PREDICTIONS are notoriously unreliable. As late as December, the experts were, on average, overshooting actual 1984 earnings results by close to 10%. But the estimates have a big impact. Look at what happens to a stock price when an analyst at a big brokerage firm raises or lowers his forecast. Even if you are skeptical about the analysts, you have to take them seriously.

The scorekeeper in this game is Lynch, Jones & Ryan. This New York City brokerage firm produces the esteemed Institutional Brokers Estimate System (IBES), a service that tracks more than 2,000 analysts submitting earnings projections on more than 3,000 firms.

And what is the score? In keeping with the flagging euphoria about the economy, the analysts are cutting forecasts of earnings. For every company with an upward revision in estimated 1985 earnings, there are two with a downward revision. Against this backdrop, though, there is some good news. The frequency of cuts in estimates is decreasing; not long ago the down-to-up ratio was 3-to-1. And the analysts are now saying that 1985 earnings will be up 19% on average.

The following tables identify companies with the greatest predicted jumps in earnings for fiscal 1985 and companies about which analysts are having serious second thoughts. We included only firms for which estimates and reported earnings were at least 50 cents per share and which had 1985 earnings estimates from at least three analysts.

The first table, starting below, shows the turnarounds. These are firms whose 1985 earnings, analysts expect, will be at least twice those in 1984. McGraw-Edison shows a projected rise of more than 600%. Last year this manufacturer of electrical energy equipment earned only 65 cents a share, but that was after writing off $57.5 million, or $3.47 a share, in discontinued operations.

Second-ranked Walt Disney should recover nearly as sharply. Will Disney earn the predicted $4.23 in 1985? Don't expect to-the-penny accuracy. Predictions of the 21 security analysts who submitted estimates range from a low of $3.75 to a high of $5. The last column in the tables, "confidence factor," describes the level of agreement

Calling the turnarounds

Security analysts think that 1985 earnings will increase by 100% or more for the 40 firms listed in this table. Nine issues sell at less than 8 times 1985 estimates, while seven show estimated P/Es of 14 or higher. But those estimates with low or very low confidence factors must be treated with caution.

Company/business	Recent price	Earnings per share 1984	Earnings per share 1985 est	Earnings per share % change	Estimated 1985 P/E	Estimates number	Estimates confidence factor
McGraw-Edison/electrical equipment	41¼	$0.65	$4.59	606%	9.0	12	average
Walt Disney/entertainment	74⅞	0.61	4.23	593	17.7	21	low
Perini Corp/building	27⅛	0.60	2.43	305	11.3	3	low
Control Data/computer equipment	35⅛	0.81	3.24	300	10.8	15	average
Paine Webber Group/securities brokerage	37⅝	0.77	2.83	268	13.3	5	low
SRI/insurance	16⅝	0.59	2.14	263	7.8	7	low
First Chicago/bank holding	23⅝	1.19	4.10	245	5.8	24	average
Pioneer Corp/natural gas	30	0.64	2.05	220	14.6	14	low
AO Smith/auto parts	16⅝	1.10	3.30	200	5.0	3	low

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.

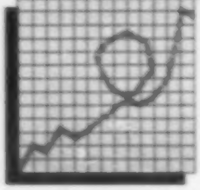
Calling the turnarounds

Company/business	Recent price	Earnings per share 1984	Earnings per share 1985 est	Earnings per share % change	Estimated 1985 P/E	Estimates number	Estimates confidence factor
United Energy Res/natural gas	30⅝	$1.28	$3.64	184%	8.3	18	average
Atlantic Richfield/integrated oil	48⅛	2.21	6.23	182	7.7	34	average
Quaker State Oil Ref/integrated oil	19⅞	0.82	2.18	166	9.1	5	low
Fieldcrest Mills/textiles	34¼	1.07	2.80	162	12.2	4	very low
Stride Rite/shoes	17⅛	0.72	1.85	157	9.3	5	very low
Marsh & McLennan/insurance	63⅛	1.62	4.16	157	15.2	15	high
Kerr-McGee/integrated petroleum	31½	1.22	3.13	157	10.1	21	low
Colgate-Palmolive/household products	23¼	0.86	2.20	156	10.6	15	average
Kemper/insurance	50¼	1.72	4.35	153	11.6	11	low
Zenith Natl Ins/insurance	13	0.55	1.37	149	9.5	4	low
Levi Strauss/apparel	32⅞	1.07	2.66	149	12.4	15	low
General Re/insurance	71⅝	1.60	3.92	145	18.3	21	low
Florida Steel/steel	17⅛	0.85	2.07	144	8.3	6	very low
Apple Computer/computer equipment	21½	1.05	2.38	127	9.0	24	average
Pulte Home/home building	16½	0.65	1.47	126	11.2	7	low
Clark Equip/construction machinery	29½	1.28	2.88	125	10.2	11	very low
Seagull Energy/natural gas	18⅜	1.15	2.58	124	7.1	5	very low
HF Ahmanson/savings and loans	29⅝	1.73	3.86	123	7.7	15	very low
CalMat/cement	22⅝	0.90	2.00	122	11.3	3	very low
Pogo Producing/petroleum production	17¼	0.50	1.11	122	15.5	8	low
Continental Airlines/airline	9⅛	1.04	2.28	119	4.0	6	very low
Micron Technology/computer equipment	11⅜	0.76	1.66	118	6.9	4	low
Hartford Steam Boiler Ins/insurance	70	2.24	4.88	118	14.3	4	very low
Fleet Finl Group/bank holding	32¼	1.95	4.20	115	7.7	13	high
Polaroid/precision instruments	25	0.83	1.78	114	14.0	19	very low
Tonka/toys	57¾	2.34	4.95	112	11.7	3	low
Hanover Insurance/insurance	36½	1.64E	3.38	106	10.8	6	low
Parker Pen/pens, temporary help	16½	0.61E	1.25	105	13.2	6	low
Boise Cascade/paper and forest prods	41¼	2.23	4.52	103	9.1	13	low
Federal Express/freight forwarding	33⅞	1.65E	3.31	101	10.2	11	average
Kasler/construction	13¾	0.56	1.12	100	12.3	3	low

E: Estimate

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.

Statistical Spotlight



among the analysts tracking each company. The low confidence factor for Disney estimates reflects the wide range in the figures.

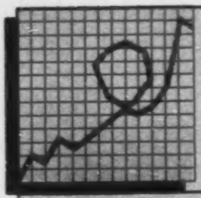
A low confidence factor implies not only uncertainty on Wall Street but also a high degree of underlying business uncertainty. Last year, for example, Crown Central Petroleum was top ranked in this table. The average 1984 estimate was $4.42, but Crown's confidence factor was very low. Crown is now is expected to lose around $2.37 in 1984.

The next table, beginning on page 176, lists companies out of phase with the strengthening economy. These are firms for which analysts expect drops of 33% or more from 1984 earnings. One-quarter of this list consists of insurance firms. Caterpillar Tractor, however, is expected to show the sharpest earnings drop.

The final two tables present companies that have had a change in fortune in recent months, reflected in big changes in how analysts rate them. On the bottom of page 176 are companies whose 1985 estimates have jumped by 20% or more since last August. Continental Airlines, recovering while in bankruptcy court, has the sharpest upward revision—from 70 cents a share to $2.28. About a third of the remaining companies are in finance-related lines of business. Credit that to expectations of declining interest rates.

The last table, on page 178, lists firms where the change in fortunes has been for the worse. For these companies, analysts have scaled back 1985 estimates 40% or more over the past six months.

Revisions don't necessarily make the forecasts accurate. Last year we cited three computer companies—Apple, Digital Equipment and Coleco—that showed sizable downward revisions in estimates over a six-month period. How close to the mark were the new figures? The revised forecast for Apple was 78 cents in 1984, but Apple earned $1.05. Digital Equipment earned $5.73 and beat its $5.16 estimate. Coleco, which was sup-



Trouble ahead

Of the more than 3,000 issues in the IBES universe, about 8% are expected by security analysts to report lower earnings in 1985. Profits for the following firms—all with three or more estimates and with both actual and predicted earnings of at least 50 cents a share—are expected to be off by 33% or more.

Company/business	Recent price	Earnings per share 1984	Earnings per share 1985 est	Earnings per share % change	Estimated 1985 P/E	Estimates number	Estimates confidence factor
Caterpillar Tractor/construction machinery	31½	$4.47	$1.13	–75%	27.9	20	very low
Sea Galley Stores/restaurants	8¼	2.05	0.59	–71	14.0	5	very low
Rouse/real estate development	41	2.54	0.92	–64	44.6	3	low
Am Natl Ins/insurance	34⅝	8.42	3.63	–57	9.5	3	very high
Datapoint/computer equipment	20¼	1.29	0.56	–57	36.2	11	very low
CPT/office equipment	7⅛	1.05	0.52	–50	13.7	12	very low
Commodore Intl/computer equipment	12¾	4.66	2.64	–43	4.8	11	very low
Phila Svg Fund Soc/savings and loans	8½	2.05	1.17	–43	7.3	5	very low
Amer Income Life/insurance	13¼	2.48	1.48	–40	9.0	5	average
Unifi/textiles	9⅞	1.05	0.64	–39	15.4	4	very low
Lone Star Inds/cement	23⅝	2.55	1.60	–37	14.8	7	very low
Whittaker/health care prods	24⅞	3.01	1.90	–37	13.1	9	very low
Cordis/health care equipment	8	1.44	0.91	–37	8.8	7	low
Independent Ins Group/insurance	34½	7.03	4.56	–35	7.6	3	very high
Colonial Life/insurance	32	5.20	3.39	–35	9.4	3	high
Robinson Nugent/precision instruments	13½	0.90	0.60	–33	22.5	6	very low

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.

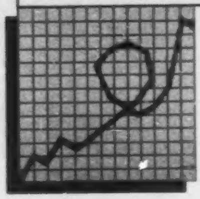
On the mend

The 17 companies below show profit forecasts up 20% or more from projections made six months ago. But the encouraging numbers do not guarantee that share prices will follow. And be warned that some of these shares probably have already risen to reflect the higher estimates.

Company/business	Recent price	1984 EPS	1985 estimates recent estimate	1985 estimates 6 mos ago	1985 estimates % change	1985 estimates number	1985 estimates confidence factor
Continental Airlines/airline	9⅛	$1.04	$2.28	$0.70	226%	6	very low
Tonka/toys	57¾	2.34	4.95	2.55	94	3	low
Hasbro Bradley/toys	30	2.58	2.72	1.80	51	6	low
Par Pharmaceutical/ethical drugs	19¾	0.70	0.92	0.62	48	3	average
Multibank Financial/bank holding	22½	2.82	3.06	2.11	45	4	average
Claires Stores/specialty retail	19	0.61	0.93	0.65	43	4	low
Texas Air/airline	11⅛	1.24	2.34	1.66	41	8	low
Crump Cos/insurance	26⅝	1.19	1.47	1.05	40	5	low
Centran/bank holding	35	6.03	4.98	3.92	27	6	low
First Boston/securities brokerage	65¼	6.22	7.71	6.10	26	3	average
Peoples Energy/gas utility	17¼	2.07	2.26	1.81	25	7	average
Gibraltar Financial/savings and loans	9⅞	2.05	2.23	1.80	24	12	low
CB&T Bancshares/bank holding	31	1.65	1.92	1.55	24	3	high
Amsted Inds/railroad equip	38⅝	2.23	3.71	3.05	22	6	low
Rollins Environmental Svcs/ind waste disposal	20⅝	0.64	0.91	0.75	21	7	low
Rohr Inds/aerospace	52	4.92	6.29	5.21	21	8	average
Flexi-Van/container leasing	30⅞	2.20	2.77	2.31	20	4	low

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.

Statistical Spotlight



posed to earn $2.96 a share, lost nearly $5. We're telling you all this so you will not take estimates too literally.

And a schedule of companies with projected earnings gains cannot be taken as a buy list. Consider what happened to stocks on last year's survey. Companies whose 1984 earnings were supposed to show the sharpest rise over 1983 were up 8% on average. But the companies whose 1984 earnings were supposed to show the sharpest decline from 1983 gained an average of 14%.

The moral is clear: You can't make money buying or selling stocks on the basis of predicted changes in earnings; those changes are already discounted in the stock price. So how can you come out ahead? By betting against the consensus and being right. The analysts predict $5 a share for the company, but you think the new product line will be a bomb. If earnings come in at $2.50, chances are the stock will drop on the news. ■

On the decline

Six months ago Wall Street analysts had higher earnings forecasts for these 32 firms. Since then they have cut their estimates by 40% or more. Note the low confidence factors for many of these issues. But investors willing to place their bets behind the more optimistic analysts could be rewarded.

			1985 estimates				
Company/business	Recent price	1984 EPS	recent estimate	6 mos ago	% change	number	confidence factor
Datapoint/computer equipment	20¼	$1.29	$0.56	$1.93	–71%	11	very low
Transco Exploration Partners/oil & gas explor	23⅜	0.86	1.13	3.12	–64	6	very low
SW Forest Inds/paper and forest prods	15½	0.83	1.03	2.73	–62	3	very low
CPT/office equipment	7⅛	1.05	0.52	1.33	–61	12	very low
Sage Energy/oil and gas explor, dev and drilling	8⅝	1.00	0.87	2.02	–57	4	very low
Lukens/steel	14½	0.91	1.28	2.97	–57	3	very low
Fischbach/electrical equipment	39½	1.83	2.10	4.86	–57	5	very low
Commodore Intl/computer equipment	12¾	4.66	2.64	5.85	–55	11	very low
Robinson Nugent/precision instruments	13½	0.90	0.60	1.29	–53	6	very low
Deere & Co/agricultural equipment	31½	1.43	1.42	3.02	–53	25	very low
Sparton/electrical equipment	15½	1.13	0.88	1.87	–53	3	very low
Intel/semiconductors	25½	1.70	1.25	2.59	–52	33	very low
GenRad/electronics	17⅛	0.68	1.30	2.59	–50	18	low
Zapata/oilfield services	14	1.28	1.01	1.99	–49	21	very low
Consumers Power/electric utility	6⅛	1.66	1.25	2.43	–49	14	very low
Commercial Metals/metal fabricating	17⅞	1.50	1.70	3.19	–46	4	low
Unifi/textiles	9⅞	1.05	0.64	1.19	–46	4	very low
Cordis/health care equipment	8	1.44	0.91	1.69	–46	7	low
Pioneer Electronics/consumer electronics	22⅜	0.51	0.57	1.05	–46	3	low
National Intergroup/steel	30½	1.47	3.52	6.47	–46	10	very low
Stone Container/paper packaging prods	27½	2.39	3.39	6.20	–45	12	low
Kollmorgen/electronics, elec equip	19⅞	1.08	1.28	2.34	–45	6	average
Optical Coating Lab/special optical coatings	17⅝	1.16	1.21	2.21	–45	6	low
Alcan Aluminium/aluminum	26⅝	2.21	3.19	5.79	–45	24	very low
Triad Sys/computer equipment	10⅝	0.66	0.68	1.23	–45	5	very low
Lone Star Inds/cem[illegible]	23⅜	2.55	1.60	2.86	–44	7	very low
Shaklee/food processing	15½	1.00	1.32	2.35	–44	3	average
Burlington Inds/textiles	27	2.18	2.32	4.11	–44	11	low
Homestake Mining/gold, lead and zinc mining	22¾	0.59	0.94	1.64	–43	14	very low
Siltec/electronics	7⅝	0.78	0.80	1.39	–42	3	average
Arrow Electronics/electronics	16⅛	2.00	2.09	3.59	–42	4	very low
Chicago & NW Transport/railroad	19⅞	1.29	2.28	3.83	–40	11	very low

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.

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APRIL 22, 1985 THREE DOLLARS

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THE WALL STREET JOURNAL

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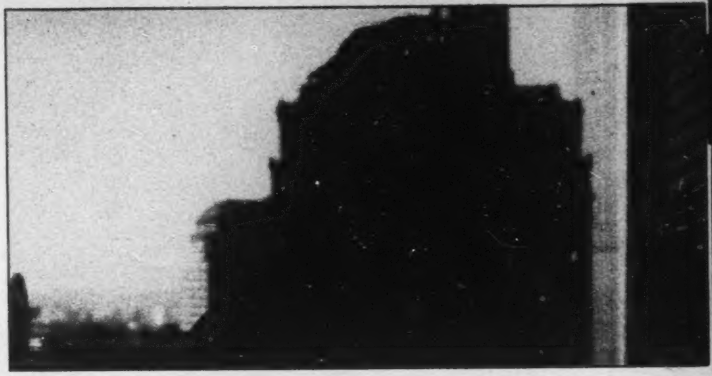

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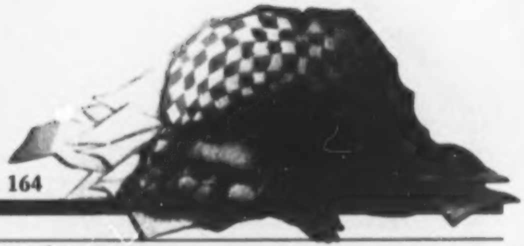

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April 22, 1985 Volume 135 Number 8 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1985 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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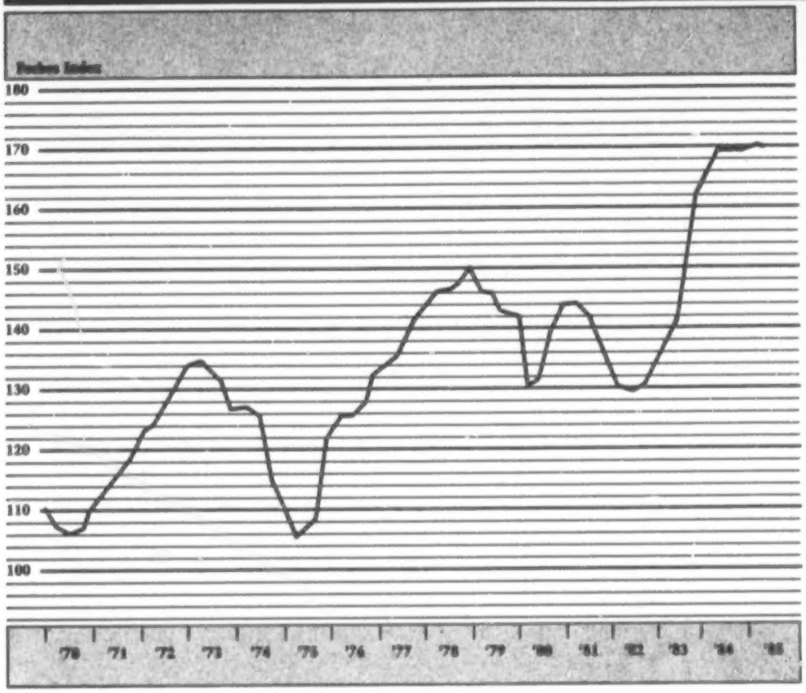
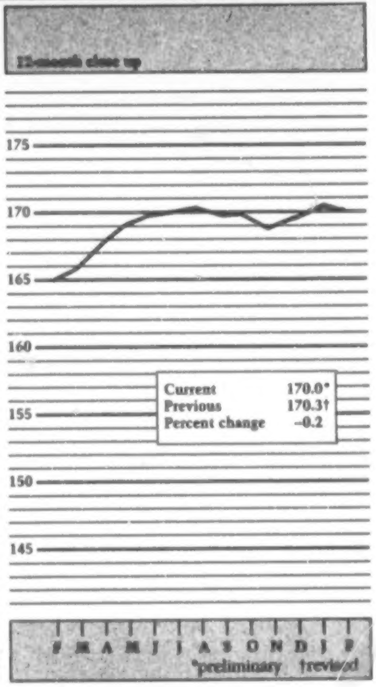
Cover illustration by Michael Garland

The Forbes Index





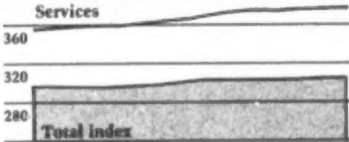
Below the peak. The Forbes Index, off 0.2%, backed off a bit from its previous alltime high. Despite some decline in mortgage rates, new housing starts fell 9.8% from the previous month and stand nearly 27% lower than they were during the same time last year. For the first time in more than two years there was a month-to-month decline in consumer installment credit. Industrial production slipped 0.5% from month-earlier figures, while manufacturers' new orders registered a 0.2% decline. The number of new unemployment claims, up 3.1% in the most recent month, hit their highest level since August 1983.

The news was not all bad, however. Retail sales are up 1.4% over the previous month and 6.3% from a year ago. Meanwhile, personal income rose 0.5%.

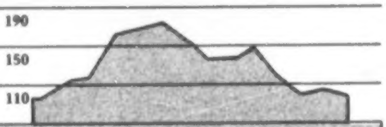
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

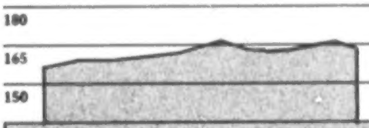
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



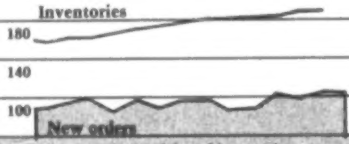
Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)



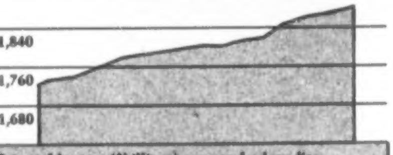
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



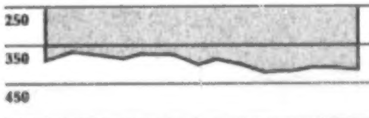
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



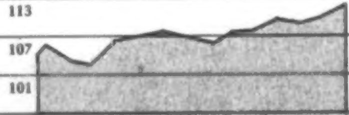
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



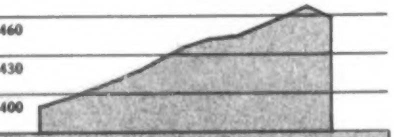
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



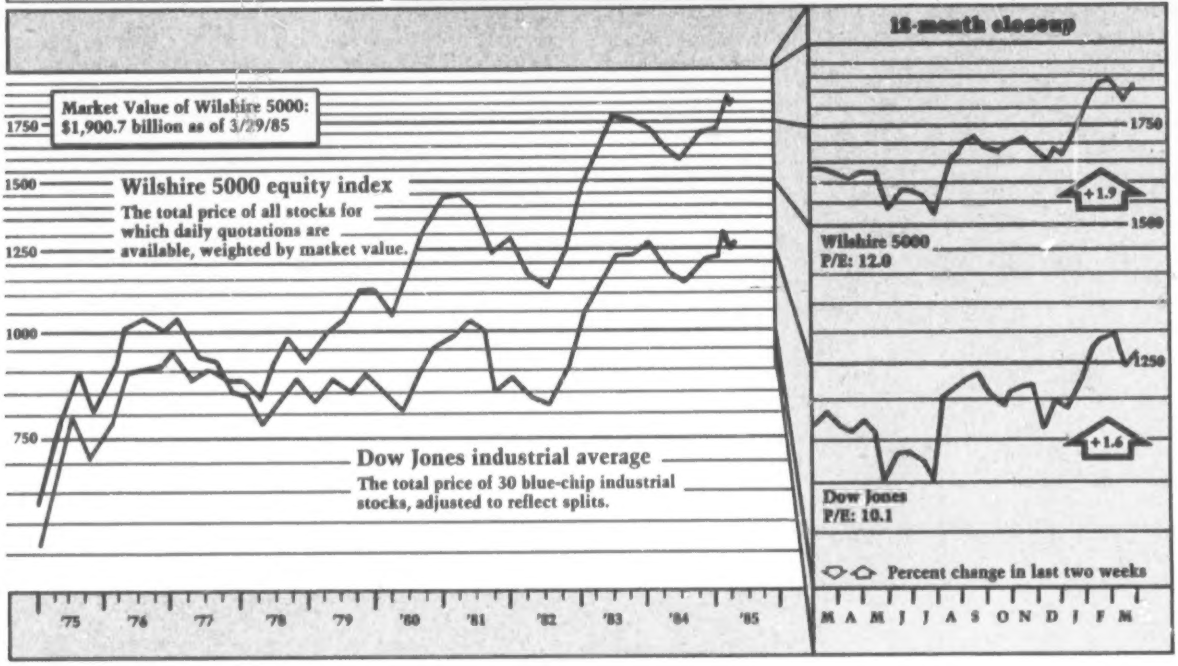
Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Edited by Steve Kichen

The Forbes/Wilshire 5000 Review



Down, but not all that far. The Dow, with a 1.6% gain, ended the most recent two-week period at 1267, some 32 points below its closing high on Mar. 1. The Wilshire index—the sum value of actively traded stocks—was $1.86 trillion, which was up 1.9% over the two-week stretch but still $27 billion smaller than it was when the Dow hit its peak. All it would take is one 30-odd point rally—such as we have had several times since 1982—to bring prices back to record highs.

Over the last several weeks investors snapped up both blue-chip and medium-size companies while shying away from the more speculative situations. The Amex posted the best records for the two- and four-week periods, with respective gains of 2.8% and 0.5%. On the other hand, Nasdaq-listed issues scored the poorest over the same time periods. During the last four weeks high-volatility issues declined 4%, while low-volatility issues posted a 1.2% gain. Shares with P/E multiples over 25 were off 3.5%, vs. a 1.4% loss for so-called undervalued stocks with multiples under 5. And stocks with yields of 7.5% or better posted a 0.7% increase, while shares that don't pay a dividend declined 3%.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–1.5	–1.1	–2.5	–1.4	0.5	–2.8
in last 52 weeks	13.8	15.3	8.7	14.1	8.6	11.3

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–0.8	–2.8	–4.0	1.2	–3.5	–1.4	0.7	–3.0	–2.2	1.1	0.1	–2.8
in last 52 weeks	16.1	7.2	8.2	23.9	0.5	23.7	22.0	12.1	9.2	25.0	22.5	–1.5

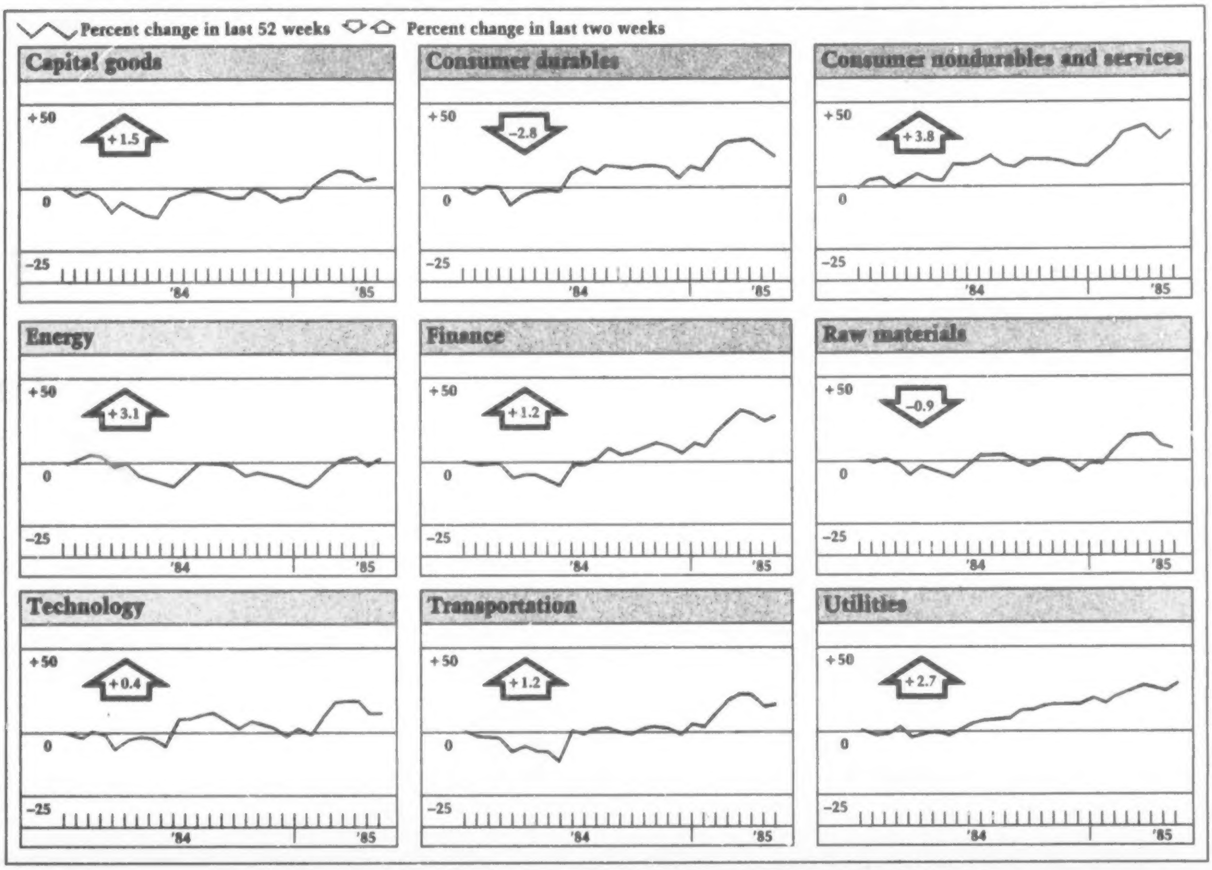
[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 3/29/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

Automobiles, TV stations and oil wells. The pending increase in Japanese auto exports made investors leery of automotive stocks. A drop of more than 4 points in General Motors during the last ten trading days cost investors over a billion dollars in paper losses and contributed to the 2.8% decline in consumer durables shares. The only other sector to lose ground during the last two weeks was raw materials, which lost 0.9%. But the blockbuster takeover of American Broadcasting by Capital Cities Communications, and speculation that other media firms were possible targets, enabled consumer nondurables to lead the other eight Wilshire sectors with a 3.8% rise. Meanwhile, looming acquisition battles in the oil patch helped energy shares gain 3.1%.



What The Analysts Think

A raw deal for raw materials. Precious-metals prices managed something of a comeback over the last few weeks and other commodity prices eked out more modest gains. But Wall Street analysts were not particularly impressed. The raw materials sector shows the sharpest 1985 estimate cutbacks during the past two- and four-week stretches.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.74	10.4
1985 estimates	4.38	8.9
1986 estimates	4.94	8.0

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Consumer durables	$4.87	8.2	0.05%	–2.06%
2	Finance	3.52	9.5	0.04	0.61
3	Utilities	3.61	7.4	–0.07	–0.01
4	Transportation	3.25	9.1	–0.53	–0.84
5	Consumer nondurables	2.70	11.2	–0.56	–0.84
6	Energy	3.73	8.0	–1.00	–1.94
7	Capital goods	2.96	11.3	–1.09	–2.47
8	Technology	3.03	11.8	–1.50	–2.76
9	Raw materials	2.47	10.1	–2.20	–5.83

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 3/29/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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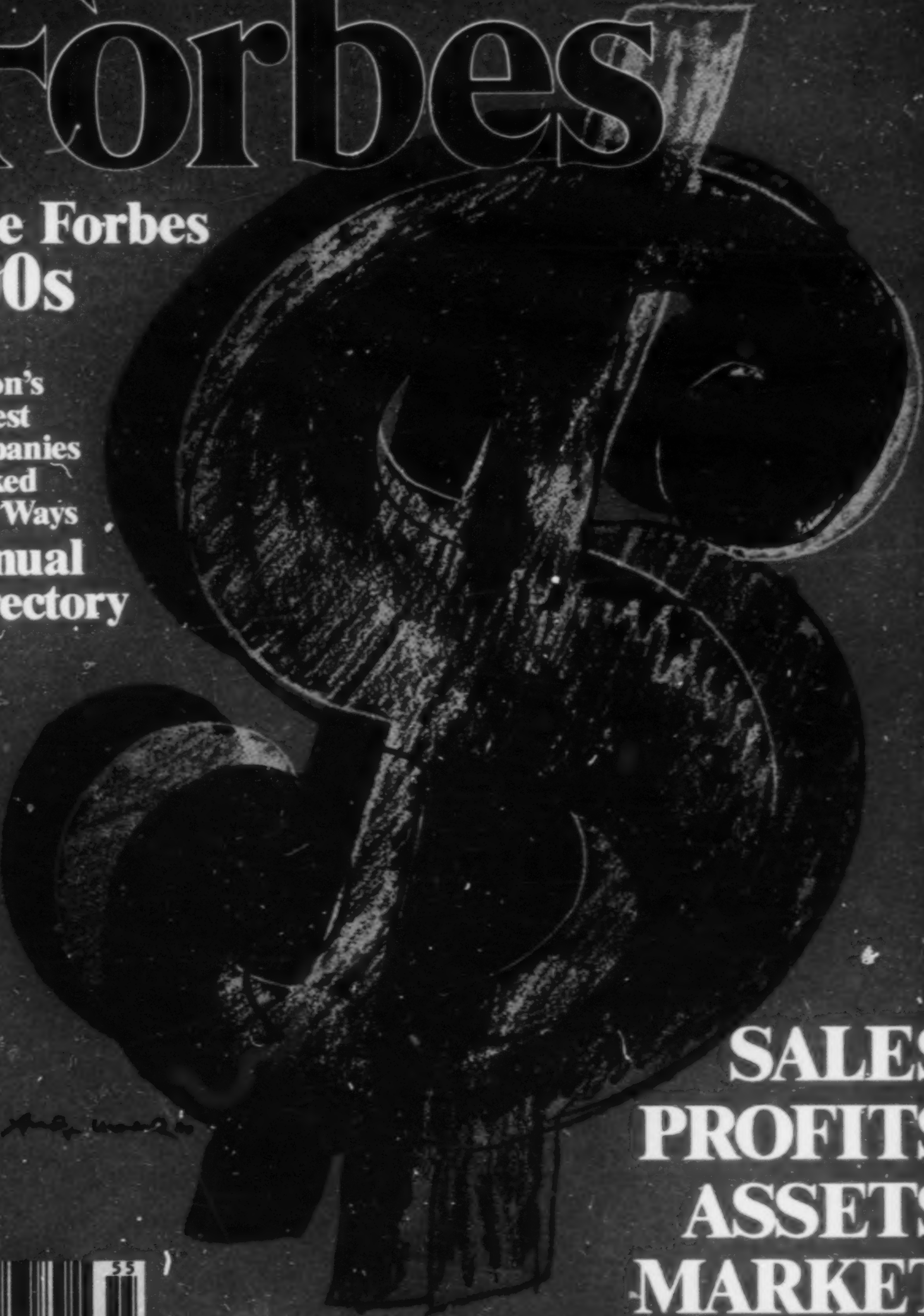
SPECIAL ISSUE 1985 FOUR DOLLARS

Forbes

The Forbes 500s

The
Nation's
Largest
Companies
Ranked
Four Ways

Annual Directory



SALES
PROFITS
ASSETS
MARKET VALUE

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Forbes

April 29, 1985
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The Forbes 500s
The nation's largest companies ranked four ways

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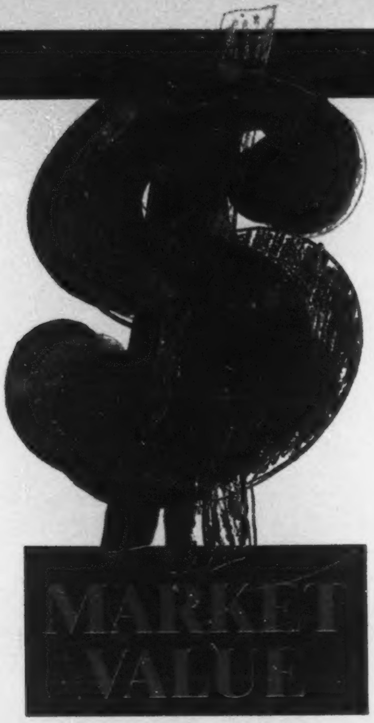

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April 29, 1985 Volume 135 Number 9 Forbes (ISSN 0015 6914) is published biweekly, except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1985 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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Cover by Andy Warhol

WHAT'S IN THE FORBES 500s

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Sales and profits were up, but not impressively; market values were down, but not dismayingly. Consider 1984 a so-so year.

A slackening

GROWTH FOR The Forbes 500s, by most measures, continued last year but at a less robust pace. Profit gains were above their five-year growth rate, but not by a large amount. The market value decline shown below looks bad but overstates the weakness in the stock market (for an explanation, see page 205).

These aggregate figures are not, to be sure, foolproof measures of corporate America. The mix of entrants changes as some companies are merged off the list and others grow into their places. The 500s don't include privately held companies, though several are billion-dollar in size. The lists don't include foreign-domiciled companies, such as Big Board-traded Schlumberger and McDermott. McDermott is run from New Orleans but domiciled in Panama for tax reasons. Schlumberger is run from Paris and New York City but incorporated in tax haven Netherlands Antilles.

And the lists necessarily neglect a large chunk of the economy. Indeed, the declining employment numbers below belie the recent growth in jobs in the U.S. Last year, even as Exxon was trimming its employment rolls from 156,000 to 150,000, the Ace Wiping Cloth Co. in Detroit was expanding from 130 to 160. Ace, neither large nor public, can't be counted in our totals. But, like thousands of other small, growing, service-sector enterprises, it is helping absorb a growing labor force.

The grand totals

A billion here, a billion there, and it adds up to a fairly healthy economy. Only employment shows a long-term decline, and there is good news in that for productivity.

Category	1984 totals	% change from 1983	5-year growth rate
Sales 500s	$2.62 trillion	+5.5%	+5.7%
Profits 500s	139.6 billion	+6.1	+4.1
Assets 500s	4.55 trillion	+7.4	+10.0
Market Value 500s	1.23 trillion	–[illegible].9	+9.8
Total employment of 500s companies	21.1 million	–3.8	–1.6

What did it take to get on one of the four lists this year? The Sales 500s cutoff was about $1.26 billion, up 7.9% from the previous directory. The Profits 500s minimum was $59.5 million, up 15%. The Assets 500s minimum was $2.09 billion, a gain of 4.8%. The fourth list is the only one with a looser standard this time around: Market Value 500s started at $636 million, down 8.4% from last year.

Another prerequisite was not to be bought up. Rolm, St. Regis Paper and Gulf dropped off after being picked up respectively by IBM, Champion International and Chevron. We included companies that are the subjects of pending takeovers, unless it was certain that the acquisition would be completed before the Apr. 29 issue date.

The rules for calculation of our numbers appear on pages 244 (ranking section) and 268 (stock performance). There are changes from last year's Forbes 500s: Results from discontinued operations are included, and unconsolidated subsidiaries are counted where significant. The latter rule would affect, for example, ITT, which has a large insurance subsidiary.

The Forbes Sales 500

The 500 largest public corporations did $2.62 trillion in sales last year. Does this mean that giant companies are taking over the economy? Not at all: Take a closer look.

THE FORBES SALES 500 raked in $2.62 trillion in revenues last year. A demagogue or trustbuster could make much of that figure, since it amounts to more than two-thirds of the gross national product. Especially in an era of billion-dollar mergers, the number suggests a frightening concentration in U.S. industry. Look at some of the acquiring companies: Burlington Northern, which bought the El Paso Co. pipeline in late 1983, up 103.1% in sales, or ConAgra, which bought the Armour meat-packing operations also in late 1983, up 93.5%.

Rank 1984	Rank 1983	Company	Sales ($mil)	% change over 1984
1	1	Exxon	90,854	2.6
2	2	General Motors	83,890	12.5
3	4	Mobil	56,047	2.6
4	5	Ford Motor	52,366	17.8
5	7	Texaco	47,334	18.1

But a closer look disproves the myth of increasing concentration. There is much overlap in the sales total for the 500. A coil of steel is counted once in the steel mill's sales, again at the refrigerator plant and again at the retail chain. GNP, by contrast, a measure of final sales, eliminates such double counting.

We don't have a compilation of value added for our Sales 500, but we can look at a simpler measure of industrial concentration: employment *(see p. 231)*. The employment total for the Sales 500 averaged 19.7 million last year, or 18.7% of civilian employment in the U.S. Five years earlier the group accounted for 21.4 million jobs, or 21.6% of the national total. To be sure, there is some fuzziness in the numbers—how part-timers are counted, for example—but the trend is unmistakably down.

The combined revenue of companies on this list was up 5.6% from last year's total, slightly ahead of inflation. The divested AT&T aside, only one of the top ten, Phibro-Salomon, showed lower revenues. Some improved their sales considerably without a giant acquisition: Chrysler, up 47.8%; Wal-Mart Stores, up 37.4%.

Many banks showed gains without any comparable expansion of their business. Their sales figures reflect, to a large degree, prevailing rates.

Winners

The leaders in sales growth.

Rank 1984	Rank 1983	Company	Sales ($mil)	% change over 1983
60	137	Burlington Northern	9,156	103.1
141	272	ConAgra	4,777	93.5
450	■	Circle K	1,418	80.9
358	■	Apple Computer	1,898	75.0
325	485	Mack Trucks	2,106	73.0

■ Not on 500 list in 1983.

Losers

The laggards in sales growth.

Rank 1984	Rank 1983	Company	Sales ($mil)	% change over 1983
340	200	Warner Communications	2,024	−40.9
217	100	Charter	3,388	−40.1
356	270	Tosco	1,899	−23.9
24	17	Occidental Petroleum	15,586	−18.5
171	113	Fluor	4,211	−16.5

The Forbes Sales 500

Rank 1984	Rank 1983	Company	Sales ($mil)	% change over 1984
6	6	IBM	45,937	14.3
7	8	Sears, Roebuck	38,828	8.2
8	9	El Du Pont	35,999	2.3
9	3	American Tel & Tel	33,188	NA
10	10	Phibro-Salomon	28,911	−2.9
11	13	General Electric	27,947	4.3
12	12	Chevron	27,830	1.8
13	11	Standard Oil Indiana	26,949	−2.5
14	15	Atlantic Richfield	23,768	−5.5
15	18	K mart	21,096	12.3
16	16	Shell Oil	20,701	5.2
17	20	Citicorp	20,494	20.3
18	19	Safeway Stores	19,642	5.7
19	30	Chrysler	19,573	47.8
20	28	ITT	19,285	−4.8
21	21	United States Steel	18,274	8.3
22	25	United Technologies	16,332	11.3
23	23	Kroger	15,923	4.5
24	17	Occidental Petroleum	15,586	−18.5
25	22	Phillips Petroleum	15,537	2.9
26	27	Aetna Life & Cas	15,411	6.9
27	26	Tenneco	14,890	3.1
28	33	Cigna	14,775	17.6
29	31	GTE	14,547	12.4
30	24	Sun Company	14,466	−1.8
31	29	BankAmerica	14,397	8.3
32	35	Travelers	13,477	12.3
33	34	JC Penney	13,451	11.4
34	32	Procter & Gamble	13,394	5.0
35	45	American Express	12,895	32.0
36	67	American Stores	12,119	51.8
37	36	Standard Oil Ohio	11,692	0.8
38	58	Southland	11,661	32.9
39	60	Xerox	11,609	9.1
40	50	Beatrice	11,427	21.9
41	38	Dow Chemical	11,418	4.3
42	43	Unocal	10,838	7.7
43	44	Allied Corp	10,734	7.1
44	41	Eastman Kodak	10,600	4.2
45	37	Boeing	10,354	−7.0
46	48	Westinghouse Electric	10,265	7.7
47	46	Goodyear	10,241	5.2
48	49	Philip Morris	10,138	7.1
49	53	RCA	10,112	12.6
50	40	RJ Reynolds Inds	9,915	−4.5
51	57	Chase Manhattan	9,881	15.9
52	47	Dart & Kraft	9,759	0.5
53	55	Federated Dept Stores	9,672	11.3
54	65	McDonnell Douglas	9,663	19.1
55	64	Rockwell Intl	9,658	16.2
56	39	BellSouth	9,519	NA
57	52	Union Carbide	9,508	5.6
58	42	Nynex	9,507	NA
59	61	Lucky Stores	9,237	10.1
60	137	Burlington Northern	9,156	103.1
61	59	Fedl Natl Mortgage	9,084	7.2
62	56	General Foods	8,915	4.0
63	51	Amer Info Technol	8,347	NA
64	68	Household Intl	8,322	5.2
65	80	Manufacturers Hanover	8,315	26.1
66	62	Amerada Hess	8,277	−1.1
67	71	Ashland Oil	8,267	5.5
68	81	Lockheed	8,113	25.0
69	54	Bell Atlantic	8,090	NA
70	76	Dayton-Hudson	8,009	15.0
71	94	CSX	7,934	37.1
72	73	General Dynamics	7,839	9.7
73	79	Pacific Gas & Elec	7,830	17.8
74	66	Pacific Telesis Group	7,824	NA
75	63	Union Pacific	7,789	−6.8
76	75	Minn Mining & Mfg	7,705	9.5
77	70	PepsiCo	7,699	−2.5
78	78	Sara Lee	7,567	11.5
79	74	Winn-Dixie Stores	7,531	5.6
80	115	InterNorth	7,510	50.3
81	77	Coca-Cola	7,364	7.8
82	72	US West	7,280	NA
83	69	Southwestern Bell	7,191	NA
84	136	LTV	7,046	53.9
85	87	UAL	6,968	15.7
86	84	WR Grace	6,728	8.2
87	83	Monsanto	6,691	6.2
88	82	Georgia-Pacific	6,682	3.3
89	89	Santa Fe Southern	6,662	11.5
90	106	Caterpillar Tractor	6,576	21.2
91	95	JP Morgan	6,562	13.8
92	130	Wal-Mart Stores	6,518	37.4
93	86	Anheuser-Busch Cos	6,501	7.7
94	97	Super Valu Stores	6,413	11.5
95	117	Hewlett-Packard	6,297	27.7
96	91	Coastal Corp	6,260	5.0
97	88	Nabisco Brands	6,253	4.5
98	124	Digital Equipment	6,230	29.1
99	108	Texas Eastern	6,194	14.9
100	90	Johnson & Johnson	6,125	2.5
101	107	Southern Company	6,124	13.0
102	96	Honeywell	6,074	5.6
103	104	TRW	6,062	10.4
104	85	Signal Cos	6,005	−2.4
105	93	Raytheon	5,996	1.0
106	99	Merrill Lynch	5,911	3.9
107	110	Great Atl & Pac Tea	5,878	12.6
108	118	Chemical New York	5,857	19.5
109	109	Alcoa	5,751	9.3
110	135	Texas Instruments	5,742	25.4
111	105	FW Woolworth	5,737	5.2
112	102	Consolidated Edison	5,729	3.9
113	228	National Intergroup	5,663	45.1
114	101	General Mills	5,649	2.3
115	153	Gulf & Western Inds	5,596	9.4
116	121	Weyerhaeuser	5,550	13.7
117	146	Motorola	5,534	27.9
118	119	Fleming Cos	5,512	12.5
119	103	Halliburton	5,446	−1.2
120	129	Transamerica	5,399	15.3
121	119	Bethlehem Steel	5,392	10.1
122	111	Sperry	5,370	10.9
123	163	American General	5,362	35.6
124	126	AMR	5,354	12.4
125	140	American Brands	5,333	6.3
126	116	Ralston Purina	5,231	5.4
127	128	Loews	5,221	11.2
128	147	Security Pacific	5,134	18.8
129	151	Champion Intl	5,121	20.1
130	134	Control Data	5,027	9.7
131	145	First Interstate Bancp	4,965	14.4
132	142	American Elec Power	4,952	13.4
133	131	Commonwlth Edison	4,930	6.4
134	122	Colgate-Palmolive	4,910	0.9
135	231	Teledyne	4,860	15.7
136	138	Southern Calif Edison	4,843	8.5
137	173	Bankers Trust NY	4,834	25.5
138	139	CBS	4,832	8.4
139	148	Burroughs	4,808	11.9
140	132	Pacific Lighting	4,782	4.3
141	272	ConAgra	4,777	93.5
142	152	May Dept Stores	4,762	12.6
143	143	McKesson	4,736	13.2
144	149	Albertson's	4,736	10.7
145	144	International Paper	4,716	8.2
146	114	Litton Industries	4,652	−0.3
147	165	Continental Corp	4,641	17.6
148	127	Archer Danls Midland	4,610	−2.6
149	112	Columbia Gas System	4,593	−9.6
150	150	Borden	4,568	7.1
151	154	Armco	4,543	9.1
152	164	Pillsbury	4,534	11.1
153	185	First Chicago	4,526	23.2
154	123	American Home Prod	4,486	−7.6
155	156	Diamond Shamrock	4,483	11.4
156	171	Delta Air Lines	4,459	14.8
157	167	Melville	4,424	12.8
158	157	CPC International	4,373	9.0
159	166	Eastern Air Lines	4,364	10.7
160	191	Supermarkets General	4,347	23.6
161	169	Lincoln National	4,345	11.4
162	177	North Amer Philips	4,326	13.8
163	187	Emerson Electric	4,321	20.0
164	176	RH Macy	4,295	12.2
165	159	American Intl Group	4,281	7.1
166	160	Deere	4,275	7.0
167	183	PPG Industries	4,242	15.2
168	181	IC Industries	4,224	13.4
169	211	American Motors	4,215	28.8
170	207	American Can	4,213	3.3

NA: not available.

The Forbes Sales 500

Rank 1984	Rank 1983	Company	Sales ($mil)	% change over 1984
171	113	Fluor	4,211	−16.5
172	162	Pub Svc Elec & Gas	4,196	5.9
173	168	Bristol-Myers	4,189	7.0
174	188	MidCon	4,186	16.4
175	161	Houston Industries	4,182	4.7
176	182	Associated Dry Goods	4,107	10.5
177	141	Continental Illinois	4,091	−6.6
178	175	HJ Heinz	4,088	6.4
179	180	NCR	4,074	9.2
180	155	United Energy Res	4,001	−0.8
181	184	Allied Stores	3,971	7.2
182	158	Firestone	3,966	0.6
183	206	FPL Group	3,941	17.6
184	195	Texas Utilities	3,932	12.7
185	169	Martin Marietta	3,920	0.5
186	189	Borg-Warner	3,916	10.5
187	190	American Cyanamid	3,857	9.1
188	179	Pfizer	3,855	2.8
189	199	Dresser Industries	3,841	11.8
190	196	Campbell Soup	3,834	10.1
191	186	Carter Hawley Hale	3,833	5.5
192	197	Boise Cascade	3,817	10.6
193	208	Reynolds Metals	3,728	11.6
194	234	Amer Broadcasting	3,703	25.9
195	213	Northrop	3,688	13.1
196	178	Pan Am Corp	3,685	−2.8
197	204	Trans World Airlines	3,657	9.0
198	174	Transco Energy	3,644	−5.2
199	210	Kimberly-Clark	3,616	10.4
200	240	Dana	3,575	24.8
201	214	Merck	3,560	9.7
202	172	Intl Harvester	3,548	−0.2
203	193	Enserch	3,545	1.2
204	201	Owens-Illinois	3,543	2.7
205	192	Kerr-McGee	3,537	0.8
206	224	Marriott	3,525	16.1
207	218	Norfolk Southern	3,525	12.0
208	198	Consol Natural Gas	3,519	2.2
209	253	Eaton	3,510	31.3
210	215	Hospital Corp of Am	3,499	9.2
211	235	Alco Standard	3,497	19.5
212	237	Quaker Oats	3,496	19.8
213	205	Am Natural Resources	3,493	4.1
214	209	Amer Hospital Supply	3,449	4.2
215	216	BF Goodrich	3,438	7.7
216	304	Williams Cos	3,389	56.4
217	100	Charter	3,388	−40.1
218	229	Wells Fargo	3,372	12.8
219	226	McDonald's	3,366	12.2
220	194	FMC	3,338	−4.6
221	212	Celanese	3,328	2.1
222	223	Inland Steel	3,325	9.1
223	346	Fin Corp of America	3,279	79.5
224	295	United Brands	3,248	−2.4
225	244	Stop & Shop Cos	3,247	16.4
226	232	Consumers Power	3,236	8.8
227	263	Bank of Boston	3,225	24.1
228	230	Textron	3,221	8.1
229	302	American Standard	3,215	47.4
230	202	Panhandle Eastern	3,212	−5.7
231	260	Zayre	3,195	22.2
232	241	Kaiser Alum & Chem	3,193	11.7
233	220	Warner-Lambert	3,167	1.9
234	238	Middle South Utilities	3,146	8.1
235	227	Avon Products	3,143	4.8
236	254	Whirlpool	3,138	17.6
237	225	Eli Lilly	3,109	2.5
238	236	Abbott Laboratories	3,104	6.0
239	248	Crown Zellerbach	3,095	14.2
240	247	Time Inc	3,067	12.9
241	268	Mellon Bank	3,062	21.5
242	221	Combustion Eng	3,058	−1.1
243	219	Burlington Inds	3,050	−2.3
244	259	Swift Independent	3,050	16.2
245	239	Wickes Cos	3,031	5.4
246	246	Owens-Corning Fbrgls	3,021	9.7
247	264	Philadelphia Electric	2,981	14.8
248	265	Wetterau	2,980	13.8
249	242	SmithKline Beckman	2,949	4.0
250	222	Tesoro Petroleum	2,926	−4.3
251	327	Gt Western Financial	2,869	44.1
252	269	United Telecom	2,856	13.7
253	276	Scott Paper	2,847	15.5
254	277	Walgreen	2,847	16.3
255	280	USF&G	2,839	19.0
256	271	Jack Eckerd	2,829	5.1
257	309	Fruehauf	2,788	30.9
258	303	EF Hutton Group	2,787	28.3
259	257	Niagara Mohawk Power	2,786	5.8
260	274	Times Mirror	2,771	11.8
261	261	Central & South West	2,766	5.9
262	255	Tandy	2,745	3.1
263	308	Greyhound	2,739	4.9
264	273	General Public Utils	2,735	10.3
265	300	GenCorp	2,727	24.8
266	284	Mead	2,720	14.9
267	298	HF Ahmanson	2,711	22.5
268	278	Duke Power	2,710	12.0
269	287	Norwest	2,683	15.7
270	266	Crocker National	2,677	4.6
271	256	Interco	2,669	0.4
272	262	Dominion Resources	2,605	−0.3
273	297	Grumman	2,604	17.3
274	306	Marine Midland Banks	2,603	20.7
275	282	Kellogg	2,602	9.3
276	251	Sonat	2,591	−3.6
277	258	Hercules	2,571	−2.2
278	267	Penn Central	2,569	1.2
279	311	James River Corp Va	2,524	19.9
280	275	Singer	2,519	1.6
281	325	IU International	2,515	23.3
282	250	Levi Strauss	2,514	−8.0
283	313	Engelhard	2,511	19.6
284	393	Beneficial Corp	2,502	12.1
285	289	Detroit Edison	2,498	8.2
286	310	Sysco	2,492	17.6
287	281	Ryder System	2,486	4.3
288	291	Ingersoll-Rand	2,478	9.0
289	299	NWA	2,445	11.3
290	350	Wang Laboratories	2,421	35.0
291	294	Nicor	2,419	8.2
292	283	Revlon	2,399	0.9
293	290	AMAX	2,399	4.8
294	417	Dun & Bradstreet	2,397	16.3
295	293	Amfac	2,392	6.2
296	307	Interfirst	2,367	10.1
297	286	St Paul Cos	2,359	1.6
298	334	First Bank System	2,350	21.9
299	288	Pennzoil	2,349	1.4
300	326	Revco DS	2,331	19.2
301	384	Cummins Engine	2,326	44.9
302	409	Lear Siegler	2,322	52.1
303	312	Continental Telecom	2,319	10.4
304	381	USG	2,319	43.9
305	322	Kidde	2,312	12.7
306	419	Valero Energy	2,308	54.4
307	319	Genuine Parts	2,304	11.4
308	296	Kemper	2,302	3.6
309	315	Jim Walter	2,297	9.7
310	301	Gillette	2,289	4.8
311	317	Best Products	2,253	8.2
312	434	Paccar	2,249	59.3
313	335	Natl Medical Entrprs	2,244	16.4
314	347	Staley Continental	2,209	21.7
315	360	RepublicBank	2,205	28.1
316	328	Upjohn	2,188	9.8
317	423	Harris Corp	2,188	32.9
318	279	Murphy Oil	2,169	−9.2
319	356	Ethyl	2,167	−0.4
320	344	Irving Bank	2,143	16.7
321	358	Ogden	2,137	23.7
322	318	American Petrofina	2,126	2.7
323	324	Uniroyal	2,122	4.0
324	285	Allegheny Intl	2,115	−9.9
325	485	Mack Trucks	2,106	73.0
326	354	SCM	2,102	19.0
327	339	Northeast Utilities	2,095	10.9
328	331	Giant Food	2,079	6.6
329	329	Sherwin-Williams	2,075	5.2
330	369	Texas Commerce Bshs	2,067	23.9
331	438	Amer Medical Intl	2,067	−9.9
332	333	Olin	2,065	6.8
333	403	CalFed	2,062	33.2
334	330	Primark	2,042	3.8
335	340	Rohm & Haas	2,042	8.9

The Forbes Sales 500

Rank 1984	Rank 1983	Company	Sales ($mil)	% change over 1984
336	337	Texas Oil & Gas	2,035	7.5
337	355	Chubb	2,034	15.5
338	320	Mapco	2,032	−1.6
339	341	Cooper Industries	2,030	9.7
340	200	Warner Comm	2,024	−40.9
341	305	Morrison-Knudsen	2,022	−6.7
342	422	First Boston	2,015	35.9
343	342	Humana	2,008	10.4
344	233	Houston Natural Gas	2,008	−13.7
345	338	Transworld	2,002	6.0
346	332	No Indiana Pub Svc	2,001	2.3
347	365	Union Camp	1,974	16.9
348	352	Long Island Lighting	1,974	10.4
349	363	Gannett	1,960	15.1
350	411	MCI Communications	1,959	28.8
351	345	Morton Thiokol	1,953	−6.8
352	292	National Distillers	1,936	−14.6
353	395	Cabot	1,912	21.1
354	372	National Can	1,911	16.0
355	321	White Consolidated	1,906	−7.4
356	379	First City Bancorp	1,899	16.9
356	270	Tosco	1,899	−23.9
358	■	Apple Computer	1,898	75.0
359	362	Hershey Foods	1,893	10.9
360	353	Squibb	1,886	6.6
361	348	Schering-Plough	1,874	3.6
362	400	Gt Northern Nekoosa	1,873	19.7
363	396	Colt Industries	1,868	18.5
364	367	Chesebrough-Pond's	1,857	10.2
365	380	Hammermill Paper	1,855	14.3
366	373	Carolina Power & Lt	1,854	12.6
367	351	Baker International	1,848	3.3
368	374	Safeco	1,845	12.3
369	371	General Re	1,842	11.1
370	418	Natl Semiconductor	1,830	21.6
371	336	Sterling Drug	1,827	−3.9
372	399	Koppers	1,817	16.0
373	405	RR Donnelley & Sons	1,815	17.4
374	357	Manville	1,814	4.9
375	413	AMP	1,813	19.6
376	377	Public Service Colo	1,802	10.6
377	343	Baxter Travenol Labs	1,800	−2.3
378	390	Bergen Brunswig	1,799	19.8
379	366	Emhart	1,795	6.5
380	389	Tribune	1,794	13.1
381	398	General Signal	1,787	13.5
382	386	PacifiCorp	1,786	11.7
383	401	Westvaco	1,781	13.9
384	448	Walt Disney	1,780	32.9
385	364	No States Power	1,776	4.7
386	376	Baltimore Gas & Elec	1,762	7.5
387	391	Holiday Inns	1,760	11.0
388	■	Sea-Land	1,759	10.9
389	500	Libbey-Owens-Ford	1,756	50.4
390	370	Air Prods & Chems	1,755	5.6

Rank 1984	Rank 1983	Company	Sales ($mil)	% change over 1984
391	446	First Executive	1,755	30.7
392	394	Capital Holding	1,746	10.4
393	397	Central Soya	1,742	10.6
394	387	Corning Glass Works	1,733	9.0
395	383	Pitney Bowes	1,732	7.8
396	359	Allegheny Power	1,721	−0.2
397	314	McGraw-Edison	1,721	−17.8
398	■	National Gypsum	1,718	51.9
399	432	United States Shoe	1,717	13.9
400	444	Zenith Electronics	1,716	26.1
401	435	Anderson, Clayton	1,716	22.4
402	493	Federal Express	1,713	43.4
403	388	Waldbaum	1,712	7.9
404	440	Avnet	1,712	24.5
405	404	Peoples Energy	1,708	10.4
406	378	Mercantile Stores	1,707	5.0
407	445	Consol Freightways	1,705	25.8
408	454	Toys "R" Us	1,702	29.0
409	361	Turner	1,694	−1.0
410	431	Lowe's Cos	1,689	18.0
411	316	Wilson Foods	1,685	−14.8
412	481	Black & Decker	1,678	36.7
413	402	Pacific Resources	1,671	7.7
414	424	Knight-Ridder News	1,665	13.0
415	425	Service Merchandise	1,657	13.6
416	392	MCA	1,651	4.2
417	470	NCNB	1,643	31.2
418	412	Ohio Edison	1,637	8.0
419	429	USAir Group	1,630	13.8
420	■	Intel	1,629	45.2
421	■	MCorp	1,628	46.2
422	407	San Diego Gas & Elec	1,621	5.9
423	368	Crown Central Petro	1,610	−3.5
424	420	Intl Minerals & Chem	1,604	7.8
425	375	Castle & Cooke	1,596	4.2
426	447	Bank of New York	1,577	17.7
427	427	Armstrong World Inds	1,569	9.0
428	472	Penn Power & Light	1,563	25.2
429	410	Paine Webber Group	1,550	5.1
430	416	Republic Airlines	1,547	2.4
431	428	Gulf States Utils	1,547	7.7
432	408	Brown Group	1,537	0.5
433	483	PNC Financial	1,499	23.1
434	439	Witco Chemical	1,496	7.9
435	441	New England Electric	1,486	8.1
436	■	Kansas Power & Light	1,480	72.2
437	451	Johnson Controls	1,470	10.9
438	497	Food Lion	1,470	25.3
439	486	Brunswick	1,468	20.7
440	469	Roadway Services	1,462	16.6
441	426	George A Hormel	1,459	1.4
442	450	Stauffer Chemical	1,456	7.8
443	433	Wisconsin Elec Power	1,435	1.2
444	442	Monfort of Colorado	1,430	4.2
445	453	Evans Products	1,424	5.3

Rank 1984	Rank 1983	Company	Sales ($mil)	% change over 1984
446	456	SCOA Industries	1,424	9.1
447	■	Beverly Enterprises	1,420	30.1
448	491	Tektronix	1,420	17.5
449	443	Cincinnati G&E	1,419	3.6
450	■	Circle K	1,418	80.9
451	382	Northwest Industries	1,414	−12.1
452	436	Union Electric	1,412	0.8
453	■	Parker-Hannifin	1,406	23.7
454	430	Rite Aid	1,403	14.1
455	461	McGraw-Hill	1,402	8.2
456	452	Gould	1,399	5.6
457	■	PSFS	1,398	25.0
458	414	Farm House Foods	1,396	−6.9
459	■	Provident Life & Acc	1,384	20.5
460	■	Yellow Freight System	1,380	26.7
461	■	NBD Bancorp	1,378	19.7
462	488	Longs Drug Stores	1,376	13.3
463	465	Centel	1,375	8.1
464	473	Texas Air	1,372	10.1
465	459	Crown Cork & Seal	1,370	5.5
466	■	Square D	1,366	19.4
467	385	Whittaker	1,364	−13.8
468	437	NL Industries	1,360	−2.2
469	■	Price Co	1,359	72.3
470	■	Barnett Banks Fla	1,358	37.3
471	455	Fleetwood Enterprises	1,356	3.3
472	449	Florida Progress	1,350	0.9
473	466	Leaseway Transport	1,349	6.5
474	474	First Natl Supermkts	1,347	8.1
475	■	Limited	1,343	23.7
476	468	Super Food Services	1,342	7.0
477	■	Fort Howard Paper	1,339	70.3
478	499	Federal Co	1,333	14.2
479	406	Foster Wheeler	1,327	−13.9
480	415	Asarco	1,325	−12.4
481	484	Thrifty Corp	1,321	8.5
482	■	Boston Edison	1,317	23.2
483	492	Eastern Gas & Fuel	1,316	9.7
484	■	Waste Management	1,315	26.4
485	458	West Point-Pepperell	1,310	4.0
486	■	Bally Manufacturing	1,309	14.0
487	■	Glendale Federal S&L	1,305	29.8
488	■	Dover	1,289	27.6
489	477	Combined Intl	1,288	4.3
490	■	Piedmont Aviation	1,283	36.1
491	464	Illinois Power	1,281	0.2
492	■	Dillard Dept Stores	1,277	50.7
493	■	NVF	1,276	27.6
494	494	So New England Tel	1,273	7.7
495	■	Cyclops	1,272	24.2
496	467	Polaroid	1,272	1.4
497	■	Cullum Companies	1,268	9.8
498	480	Pittston	1,264	2.8
499	496	Temple-Inland	1,263	7.4
500	476	Colonial Penn Group	1,256	1.2

■ Not on 500 list in 1983.

PROFITS

The economy remained strong, but profit growth for the 500 largest profitmakers petered out last year to 6%, compared with 17% for the year before.

Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983	Cash flow ($mil)	Cash flow rank 1984
1	2	IBM	6,582.0	20.0	10,055	1
2	3	Exxon	5,528.0	11.0	9,601	2
3	4	General Motors	4,516.5	21.1	9,482	3
4	6	Ford Motor	2,906.8	55.7	5,215	4
5	5	General Electric	2,280.0	12.6	3,380	9
6	7	Standard Oil Indiana	2,183.0	16.9	4,273	5
7	9	Shell Oil	1,772.0	8.5	3,370	10
8	10	Chevron	1,534.0	−3.5	3,673	7
9	44	Chrysler	1,496.1	395.6	2,051	20
10	8	Standard Oil Ohio	1,488.0	−1.6	2,550	16

A DISAPPOINTMENT. The economy was robust but our profit leaders showed mediocre profit gains. The gross national product was up 10.8% in 1984, the second full year of recovery, following on a 7.7% increase for 1983. Big corporations had all the fun at the beginning. The total profit for this list in 1983 was 17% better than the year before. The total in 1984, $139.6 billion, is up a mere 6% from 1983.

As befits a capitalism of creative destruction and big mergers, there is much place-shuffling on this list. Conspicuous drop-off of the year: MCI, which placed 501st after profits fell 70.8%.

There are other arresting profit changes, in many cases reflecting a comprehensive definition of net income used by FORBES that includes most nonrecurring items. Thus, Dun & Bradstreet (number 52) doubled its profits by selling some TV stations. Atlantic Richfield (44) took a big-bath writeoff on its metals business.

The cash flow column shows net income plus depreciation and amortization—for takeover experts often more important than net income. Example: American Natural Resources (180), whose cash flow is 2.6 times as big as net. ANR won't be on our list next year. Coastal Corp. is buying it.

Winners

The leaders in profit rebounds.

Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983
396	■	Fruehauf	85.2	914.3
210	238	Penn Central	170.0	762.9
64	68	Allied Corp	488.0	727.1
335	■	Continental Corp	102.4	606.2
370	■	General Host	92.1	414.5

Losers

The laggards in profit growth.

Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983
108	15	Texaco	306.0	−75.2
395	123	Public Service Indiana	85.5	−66.6
441	170	Colgate-Palmolive	71.6	−63.8
44	11	Atlantic Richfield	567.0	−63.4
438	163	General Re	72.2	−62.4

■ Not on 500 list in 1983.

The Forbes Profits 500

Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983	Cash flow ($mil)	Cash flow rank 1984
11	16	El Du Pont	1,431.0	27.0	3,167	11
12	1	American Tel & Tel	1,369.9	NA	4,148	6
13	14	Sears, Roebuck	1,323.4	1.8	1,736	25
14	12	Mobil	1,268.0	−15.6	3,605	8
15	13	BellSouth	1,257.2	NA	2,793	14
16	27	R J Reynolds Inds	1,184.0	41.8	1,456	32
17	20	GTE	1,079.8	13.0	3,021	13
18	17	Amer Info Technol	990.6	NA	2,338	17
19	19	Nynex	986.4	NA	2,188	18
20	29	Pacific Gas & Elec	974.9	23.7	1,426	33
21	18	Bell Atlantic	973.1	NA	2,167	19
22	41	Eastman Kodak	923.0	63.4	1,683	27
23	26	Citicorp	890.0	3.5	1,152	39
24	21	Philip Morris	888.5	−1.7	1,264	37
25	22	US West	887.0	NA	1,993	22
26	23	Southwestern Bell	883.1	NA	2,024	21
27	28	Commonwlth Edison	875.5	9.1	1,357	34
28	33	Pacific Telesis Corp	828.5	NA	1,913	23
29	30	Phillips Petroleum	810.0	12.3	1,724	26
30	79	Boeing	787.0	121.7	1,152	38
31	24	Procter & Gamble	763.0	−13.9	1,107	43
32	34	Minn Mining & Mfg	733.0	9.9	1,136	40
33	32	Southern Calif Edison	732.4	6.0	1,131	42
34	39	Southern Company	719.7	21.0	1,287	36
35	36	Unocal	700.4	11.9	1,537	30
36	35	American Home Products	682.1	8.8	776	63
37	46	United Technologies	645.0	26.7	1,068	44
38	31	Tenneco	631.0	−11.9	1,764	24
39	42	Coca-Cola	628.8	12.5	812	60
40	40	Consolidated Edison	620.0	7.7	901	51
41	66	Burlington Northern	608.1	47.2	1,059	45
42	45	American Express	606.0	17.7	606	92
43	49	Occidental Petroleum	568.7	20.6	1,569	29
44	11	Atlantic Richfield	567.0	−63.4	2,733	15
45	59	Hewlett-Packard	564.0	0.0	813	59
46	105	Dow Chemical	549.0	87.4	1,457	31
47	67	Rockwell Intl	545.1	32.7	858	56
48	38	Sun Company	538.0	18.8	1,297	35
49	53	JP Morgan	537.6	16.9	573	102
50	57	Westinghouse Electric	535.9	19.4	962	48
51	52	Texas Utilities	526.0	14.0	752	65
52	228	Dun & Bradstreet	521.6	138.5	613	88
53	43	Johnson & Johnson	514.5	5.2	741	67
54	58	Pfizer	507.9	13.6	635	84
55	48	SmithKline Beckman	500.3	2.2	609	90
56	47	K mart	499.0	1.4	802	61
57	65	Union Pacific	494.0	66.3	1,055	46
58	56	Merck	493.0	9.3	655	80
59	74	Philadelphia Electric	492.4	26.5	671	78
60	75	Middle South Utilities	490.8	29.8	683	77
60	87	Santa Fe Southern	490.8	−33.7	1,043	47
62	55	Eli Lilly	490.2	7.2	611	89
63	73	Pub Svc Elec & Gas	490.0	25.7	790	62
64	68	Allied Corp	488.0	727.1	950	49
65	63	American Elec Power	487.6	13.9	867	55

Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983	Cash flow ($mil)	Cash flow rank 1984
66	121	Digital Equipment	486.9	85.7	768	64
67	91	Norfolk Southern	482.2	35.3	727	71
68	69	Bristol-Myers	472.4	15.8	546	108
69	115	CSX	465.0	71.2	895	52
70	61	Duke Power	461.3	7.0	931	50
71	60	Dart & Kraft	455.8	4.8	638	83
72	76	Monsanto	439.0	19.0	888	53
73	51	JC Penney	435.0	−6.9	668	79
74	77	Long Island Lighting	427.8	17.2	493	122
75	157	Beatrice	414.0	306.3	703	74
75	■	United States Steel	414.0	D–P	1,655	28
77	88	Goodyear	411.0	52.0	720	72
78	72	American Brands	407.3	4.4	510	118
79	62	Chase Manhattan	405.8	−5.6	514	114
80	82	Abbott Laboratories	402.6	15.8	531	110
81	78	Detroit Edison	401.9	10.2	605	93
82	80	Anheuser-Busch Cos	391.5	12.5	595	98
83	83	McDonald's	389.1	13.6	599	97
84	130	Motorola	387.0	58.6	740	68
85	109	General Dynamics	381.7	33.2	571	104
86	101	Houston Industries	366.3	20.6	582	101
87	96	Emerson Electric	361.0	16.1	492	123
88	95	Niagara Mohawk Power	359.7	15.1	519	113
89	86	Manufacturers Hanover	352.5	4.6	432	139
90	98	Texas Oil & Gas	349.9	7.8	600	95
91	37	ITT	349.4	−44.0	822	58
92	71	BankAmerica	345.5	−11.5	627	85
93	120	Lockheed	344.1	30.9	489	126
94	108	NCR	342.6	19.1	592	99
95	144	Union Carbide	341.0	331.6	848	57
96	99	Chemical New York	340.8	11.5	402	150
97	114	Ohio Edison	339.3	24.6	482	128
98	97	General Foods	337.5	9.0	493	121
99	92	Halliburton	329.6	4.7	698	76
100	85	Federated Dept Stores	329.3	−2.7	547	107
101	113	McDonnell Douglas	325.3	18.3	563	105
102	112	Union Electric	324.2	17.4	426	140
103	104	Penn Power & Light	318.9	7.7	476	132
104	116	Central & South West	317.2	18.6	528	111
105	■	Texas Instruments	316.0	D–P	739	69
106	90	Nabisco Brands	308.9	−4.3	455	135
107	124	Bankers Trust NY	306.8	19.4	343	174
108	15	Texaco	306.0	−75.2	3,129	12
109	93	FPL Group	302.7	−3.6	642	81
110	129	PPG Industries	302.6	30.2	512	115
111	64	American Intl Group	302.4	−29.2	337	177
112	107	American General	299.0	3.2	321	192
113	131	Hospital Corp of Am	296.8	22.0	489	125
113	140	InterNorth	296.8	27.6	585	100
115	136	Carolina Power & Lt	294.2	22.9	492	124
116	117	Dominion Resources	293.3	10.3	600	94
117	133	Litton Industries	291.7	1.9	453	136
118	127	Cleveland Elec Illum	291.6	18.5	387	156
119	119	Security Pacific	291.0	10.1	371	163
120	143	Northeast Utilities	288.9	30.4	418	144

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The Forbes Profits 500

Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983	Cash flow ($mil)	Cash flow rank 1984
121	283	Signal Cos	285.0	176.7	399	152
122	126	First Interstate Bancorp	276.3	11.7	357	170
123	125	Loews	273.1	−26.9	329	182
124	118	Arizona Public Serv	271.1	2.4	359	168
125	160	Wal-Mart Stores	270.8	38.0	337	178
126	413	Mesa Petroleum	270.2	114.6	425	142
127	100	Teledyne	269.5	−11.3	376	161
128	196	Sperry	267.6	46.8	487	127
129	158	TRW	266.8	30.0	482	129
130	135	RCA	265.3	10.2	879	54
131	228	UAL	260.9	83.7	707	73
132	137	HJ Heinz	260.5	11.9	336	179
133	131	Dayton-Hudson	259.3	5.6	416	146
134	83	Travelers	259.2	−24.4	315	197
135	■	Delta Air Lines	258.6	D–P	607	91
136	141	Gulf States Utilities	258.2	12.4	371	164
137	202	Alcoa	256.0	55.6	600	96
138	292	Eaton	254.4	172.7	346	173
139	133	Kellogg	250.5	3.2	314	199
139	54	Xerox	250.5	−41.6	1,132	41
141	■	Alleghany	246.1	310.2	250	247
142	162	Burroughs	244.9	24.4	625	86
143	122	Ralston Purina	244.7	−6.4	364	167
144	111	PacifiCorp	244.6	−11.7	458	134
145	146	Baltimore Gas & Elec	243.9	12.7	418	143
146	102	Raytheon	243.2	−19.0	417	145
147	284	Diamond Shamrock	242.2	D–P	699	75
148	139	Honeywell	239.0	3.4	553	106
149	148	Amer Hospital Supply	237.8	12.2	325	187
150	151	Illinois Power	235.5	13.4	308	201
151	138	United Telecom	235.2	5.3	743	66
152	106	Tandy	234.9	−19.8	284	221
153	152	Household Intl	234.1	13.4	504	120
154	142	AMR	233.9	2.6	541	109
155	178	Times Mirror	232.7	16.6	385	157
156	179	Wang Laboratories	231.0	29.1	388	154
157	154	Weyerhaeuser	226.2	10.4	624	87
158	164	Gannett	223.9	16.8	314	198
158	156	Warner-Lambert	223.9	11.7	321	194
160	81	Consumers Power	221.1	−36.4	434	137
161	167	Kimberly-Clark	217.5	15.2	343	175
162	227	Time Inc	216.4	84.6	327	184
163	201	American Cyanamid	215.9	29.7	406	148
164	150	Sonat	215.7	2.6	434	138
165	183	May Dept Stores	214.1	14.5	323	190
166	147	RH Macy	213.8	0.5	308	202
167	103	Gulf & Western Inds	213.5	D–P	273	228
168	110	PepsiCo	212.5	−25.2	469	133
169	217	Texas Eastern	212.4	37.4	572	103
170	50	Phibro-Salomon	212.0	−54.9	236	256
171	215	NY State Elec & Gas	211.4	34.9	277	224
172	207	Consol Natural Gas	208.9	6.7	416	147
173	176	Borg-Warner	206.1	12.9	317	195
174	205	AMP	201.3	23.4	276	225
175	193	Humana	199.2	16.2	327	185
176	177	Sara Lee	198.9	10.6	324	188
177	274	Intel	198.2	70.7	312	200
178	219	Hercules	197.2	13.2	303	208
178	189	Squibb	197.2	13.8	234	259
180	195	Am Natural Resources	196.1	14.5	506	119
181	191	Continental Telecom	195.9	13.6	510	117
182	169	CBS	195.7	4.5	293	214
183	213	WR Grace	195.6	22.5	520	112
184	212	Amer Broadcasting	195.3	22.2	254	242
185	181	Campbell Soup	195.1	9.5	303	209
186	165	CPC International	193.4	42.0	329	181
187	172	No States Power	192.1	4.5	387	155
188	210	Borden	191.4	1.2	304	206
189	293	Dana	191.3	75.3	277	223
190	188	Pillsbury	191.2	8.3	328	183
191	185	Melville	190.4	8.0	250	248
192	206	Whirlpool	189.6	13.5	260	237
193	128	General Mills	188.9	−23.1	321	193
194	■	Cummins Engine	187.9	NM	260	236
195	259	Scott Paper	187.0	51.2	351	171
196	374	USG	186.6	132.4	256	241
197	268	American Stores	185.5	57.3	301	211
198	175	Safeway Stores	185.0	0.9	480	131
199	168	San Diego Gas & Elec	183.5	−2.1	299	212
200	184	Texas Commerce Bshs	183.3	3.6	223	271
201	203	Avon Products	181.7	10.5	268	230
202	241	Union Camp	181.5	36.8	307	203
203	323	Jefferson-Pilot	178.1	80.4	181	316
204	180	Schering-Plough	177.2	−6.8	236	257
205	198	Allegheny Power	176.3	3.9	295	213
206	397	Pioneer	175.5	140.7	226	268
207	211	Upjohn	173.3	8.2	240	253
208	233	Rohm & Haas	172.2	25.1	265	232
209	153	Amerada Hess	170.5	−17.0	738	70
210	238	Penn Central	170.0	762.9	291	217
211	216	Wells Fargo	169.3	9.3	228	264
212	186	Transamerica	168.7	−4.1	379	159
213	231	Potomac Elec Power	168.2	20.1	270	229
214	316	Northrop	166.9	65.7	305	205
215	182	Panhandle Eastern	166.5	9.3	369	165
216	236	Bank of Boston	164.1	20.9	204	286
217	220	Wisconsin Elec Power	162.5	8.3	278	222
218	291	GD Searle	161.6	6.9	206	282
219	286	Celanese	161.0	43.8	375	162
220	245	Southland	160.3	21.6	326	186
221	235	Farmers Group	159.8	18.3	178	322
222	200	Lincoln National	159.4	−10.4	187	305
223	222	Gillette	159.3	9.2	234	258
224	173	Mellon Bank	158.5	−13.8	197	296
225	208	Portland Genl Elec	158.4	−2.7	254	244
226	224	Duquesne Light	156.8	8.0	250	249
227	252	Kroger	156.6	23.2	347	172
227	218	Public Service NH	156.6	3.2	179	320
229	258	MidCon	155.6	25.6	397	153
230	250	Toledo Edison	153.5	19.6	203	288

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Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983	Cash flow ($mil)	Cash flow rank 1984
231	166	Columbia Gas System	152.9	−20.0	406	149
232	242	New England Electric	151.6	14.3	302	210
233	254	Kansas City Pwr & Lt	151.4	19.7	199	293
234	484	Williams Cos	149.5	176.9	329	180
235	301	Public Service Colo	145.2	36.5	253	245
236	254	McGraw-Hill	144.2	14.0	179	321
237	295	Amer Medical Intl	143.5	4.6	265	233
238	234	Sterling Drug	143.4	4.8	182	314
239	272	PNC Financial	143.2	22.4	160	338
240	264	Waste Management	142.5	18.4	258	239
241	269	FW Woolworth	141.1	19.6	246	252
242	266	Knight-Ridder News	140.8	17.9	199	292
243	249	Allied Stores	140.7	9.5	227	265
244	232	No Indiana Pub Svc	140.5	2.0	275	227
245	■	Advanced Micro Devcs	140.2	197.0	205	283
246	277	Marriott	139.8	21.4	239	255
247	■	Mead	139.3	274.5	261	235
248	278	Air Prods & Chems	138.7	20.6	322	191
249	214	Pacific Lighting	138.6	−11.8	305	204
250	269	Pitney Bowes	138.2	58.9	225	269
251	240	Transco Energy	138.0	3.8	481	130
252	290	Archer Danls Midland	137.4	24.5	258	240
253	265	RepublicBank	137.3	5.5	175	324
254	314	Ryder System	135.9	34.4	426	141
255	366	Owens-Illinois	135.8	96.5	304	207
256	246	Combined Internatl	135.7	6.6	186	307
257	279	Capital Cities Commun	135.2	17.9	187	306
258	280	RR Donnelley & Sons	133.9	17.0	224	270
258	296	Natl Medical Entrprs	133.9	23.1	233	261
260	299	Fort Howard Paper	133.1	24.4	205	284
261	390	Westvaco	133.0	78.0	240	254
262	237	Quaker Oats	132.9	83.8	211	276
263	273	Public Service NM	132.8	−5.5	186	308
264	320	Colt Industries	132.2	33.1	174	326
265	■	Tektronix	131.5	172.3	208	279
266	247	First Bank System	131.1	1.1	158	343
267	257	Holiday Inns	131.0	5.3	253	246
267	■	Reynolds Metals	131.0	D–P	284	220
269	331	North Amer Philips	130.5	36.4	219	273
269	204	Pennzoil	130.5	−20.5	511	116
271	310	Tucson Electric Pwr	129.9		166	333
272	222	Cincinnati G&E	129.1	−11.5	207	280
272	282	Dow Jones	129.1	13.0	172	327
272	324	Torchmark	129.1	31.7	129	388
275	426	General Public Utils	128.5	92.1	380	158
276	■	Mapco	125.6	148.7	292	216
277	■	Paccar	125.3	234.1	145	370
278	266	VF	124.7	4.4	152	357
279	263	So New England Tel	124.6	3.3	290	218
280	276	Ethyl	123.5	18.2	208	278
281	285	Centel	123.4	8.9	316	196
282	387	IC Industries	122.8	32.5	265	231
283	410	Greyhound	122.0	36.9	174	325
284	298	Kansas Gas & Elec	121.9	13.4	154	350
285	307	Scana	121.8	17.2	216	274

Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983	Cash flow ($mil)	Cash flow rank 1984
286	369	USAir Group	121.6	50.9	188	304
287	275	Associated Dry Goods	120.7	4.5	198	295
288	149	International Paper	120.1	−52.9	369	166
289	358	Gt Northern Nekoosa	119.9	42.7	207	281
290	309	Genuine Parts	119.7	15.5	137	375
291	251	Chesebrough-Pond's	119.5	−6.6	150	359
292	260	Capital Holding	119.3	−3.4	133	382
293	335	NCNB	119.2	29.3	142	372
294	305	Georgia-Pacific	119.0	13.3	401	151
295	322	Allied Bancshares	118.8	20.2	134	378
295	415	Enserch	118.8	54.1	293	215
297	■	Interfirst	117.9	D–P	164	335
297	324	Morton Thiokol	117.9	20.3	178	323
299	300	Masco	115.9	8.7	150	360
300	307	Florida Progress	115.8	11.5	286	219
301	327	American Can	115.6	40.6	192	300
302	226	Utah Power & Light	115.5	−20.1	210	277
303	454	General Cinema	115.3	14.8	152	356
304	444	Transworld	115.0	91.0	183	310
305	348	Hilton Hotels	114.0	1.2	156	347
306	376	Owens-Corning Fbrgls	113.9	42.9	232	262
307	342	Textron	113.5	28.0	182	312
308	269	Oklahoma Gas & Elec	113.3	−3.7	183	311
309	170	Houston Natural Gas	113.0	−38.6	229	263
310	294	Revlon	112.1	0.8	185	309
311	317	Southwestern Pub Svc	111.6	11.2	159	342
312	334	Toys "R" Us	111.4	20.7	130	387
313	281	Winn-Dixie Stores	111.1	−2.8	258	238
314	319	Hershey Foods	108.7	8.5	154	352
315	339	General Signal	108.5	21.0	156	346
316	288	Grumman	108.4	−2.1	153	353
317	346	El Paso Electric	108.3	24.1	121	403
318	360	Banc One	108.0	29.7	124	397
319	317	MCorp	107.7	7.3	126	394
320	337	Bank of New York	107.5	18.7	128	389
321	403	Cooper Industries	106.9	50.1	181	318
322	■	National Gypsum	106.8	116.6	155	348
323	389	Super Valu Stores	106.5	42.0	160	339
324	445	Square D	106.2	68.8	148	362
325	376	Jim Walter	105.2	32.0	187	305
326	364	CoreStates Financial	104.5	22.4	122	401
327	465	Apple Computer	104.4	76.9	142	371
328	439	Cabot	104.1	67.9	194	298
329	262	Dayton Power & Light	103.6	−15.9	156	345
329	347	Rochester Gas & Elec	103.6	20.2	162	337
331	■	American President	103.5	292.0	145	369
332	367	Barnett Banks Fla	103.4	26.3	134	379
333	402	Tribune	103.0	48.6	189	303
334	■	Temple-Inland	102.7	113.1	166	332
335	■	Continental Corp	102.4	606.2	119	407
336	336	Coastal Corp	101.7	8.5	246	251
337	382	Dover	100.5	29.7	147	364
338	328	Geico	100.4	5.9	106	434
339	354	Wachovia	100.3	18.6	113	414
340	410	New York Times	100.2	27.3	146	367

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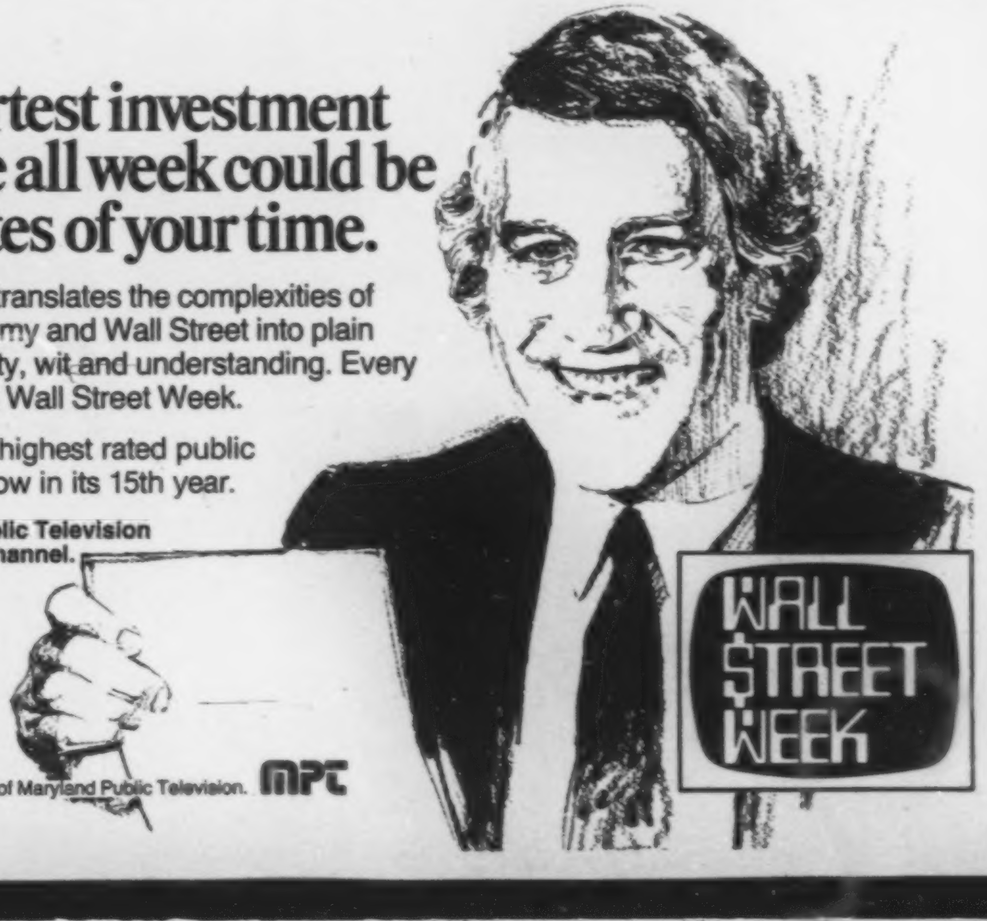
Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983	Cash flow ($mil)	Cash flow rank 1984
341	344	Idaho Power	100.0	13.5	141	373
341	321	Roadway Services	100.0	0.8	152	355
343	386	Combustion Eng	99.6	D–P	202	289
344	349	James River Corp Va	99.3	16.1	166	331
344	430	Student Loan Mktg	99.3	49.1	101	447
346	239	Safeco	99.1	−25.7	99	453
347	341	Provident Life & Acc	98.7	10.7	110	425
348	333	Irving Bank	98.1	6.1	131	383
349	■	Black & Decker	97.7	72.9	171	328
349	391	TECO Energy	97.7	31.5	154	351
351	438	American Standard	97.1	55.1	195	297
352	353	Republic New York	96.5	13.9	104	438
353	244	Murphy Oil	96.1	−27.2	358	169
354	330	Louisiana Land	95.3	1.4	338	176
354	94	Merrill Lynch	95.3	−58.6	204	287
356	312	Puget Sound Pwr & Lt	95.1	−6.8	159	341
357	221	MCA	94.9	−35.5	639	82
358	304	Lucky Stores	94.6	−10.3	179	319
359	355	Intl Minerals & Chem	94.5	−11.0	222	272
359	368	NBD Bancorp	94.5	15.7	110	424
361	430	Brunswick	94.2	42.5	134	380
361	338	Freeport-McMoRan	94.2	0.7	249	250
363	392	Gt Western Financial	93.9	27.4	119	405
364	192	USF&G	93.3	−45.6	105	437
365	■	Data General	92.7	212.1	164	334
366	406	Limited	92.5	30.5	127	393
367	395	Lear Siegler	92.4	25.9	146	365
368	436	Armstrong World Inds	92.2	46.1	150	358
368	361	Browning-Ferris Inds	92.2	10.8	198	294
370	351	Delmarva Power & Lt	92.1	8.2	153	354
370	■	General Host	92.1	414.5	111	421
372	324	Firestone	91.0	−7.2	227	267
373	468	Harris Corp	90.7	44.4	199	291
374	369	Jack Eckerd	90.6	5.6	131	385
375	357	Emhart	90.4	7.2	126	395
375	314	Marine Midland Banks	90.4	−10.6	116	412
377	359	Kansas Power & Light	89.8	7.4	148	361
378	424	Carter Hawley Hale	89.7	32.9	162	336
379	396	Trust Co of Georgia	89.2	22.2	104	440
380	449	Corning Glass Works	88.9	−3.6	200	290
381	422	Boston Edison	88.8	30.8	193	299
382	401	Olin	88.7	23.7	234	260
383	400	Walgreen	88.5	16.8	118	409
384	372	United Illuminating	88.3	9.7	107	432
385	332	American Natl Ins	88.0	−5.9	91	468
385	305	Interco	88.0	−16.1	133	381
387	384	Deluxe Check Printers	87.8	14.6	111	419
388	381	Cox Communications	87.3	11.9	181	317
389	345	Crown Zellerbach	86.9	−1.0	189	302
389	■	NWA	86.9	73.5	254	243
391	174	First Chicago	86.4	−52.9	148	363
392	303	Beneficial Corp	86.1	−15.0	98	455
393	419	Washington Post	85.9	25.6	108	430
394	■	Parker-Hannifin	85.8	88.6	131	386
395	123	Public Service Indiana	85.5	−66.6	170	329
396	■	Fruehauf	85.2	914.3	181	315
397	361	Mercantile Stores	84.8	1.9	124	399
398	380	Revco DS	84.4	10.3	109	427
399	409	US Tobacco	83.7	18.6	97	456
400	■	First Natl State Bcp	81.5	27.1	95	460
401	■	First City Bancorp	81.0	62.7	113	417
402	383	Golden West Finl	80.9	4.5	102	446
403	468	Rite Aid	80.7	31.6	104	439
404	■	Consolidated Papers	80.6	64.5	106	436
405	■	Sea-Land	80.5	89.0	182	313
406	440	Zayre	80.3	30.8	120	404
407	437	Sovran Financial	80.2	22.4	100	448
408	457	First Union	80.0	36.8	92	467
409	408	Clorox	79.9	8.9	102	444
410	410	Albertson's	79.7	13.4	131	384
411	375	First Boston	79.6	−0.8	88	475
412	418	Auto Data Processing	79.4	15.4	168	330
413	498	Perkin-Elmer	79.2	52.0	119	406
414	369	Brown-Forman	79.1	−1.9	103	441
414	399	Kidde	79.1	9.0	128	390
416	448	Louisville Gas & Elec	79.0	32.3	121	402
417	428	Avnet	78.8	18.9	95	461
418	■	Dresser Industries	78.6	255.7	263	234
419	481	Vulcan Materials	78.4	44.6	155	349
420	452	Southmark	77.8	31.0	88	476
421	■	Northwest Industries	77.5	D–P	135	377
422	458	Norstar Bancorp	77.3	32.6	96	458
423	445	Manville	77.2	14.9	157	344
424	■	Richardson-Vicks	76.5	58.4	100	451
425	472	Baker International	76.2	D–P	205	285
425	405	Nalco Chemical	76.2	7.3	109	427
427	349	Central Ill Pub Svc	76.1	−11.0	136	376
428	■	Cooper Laboratories	76.0	229.0	86	478
429	301	Federal Express	75.3	−29.2	215	275
430	■	Peoples Energy	75.2	55.0	117	410
431	■	Deere	74.7	38.8	276	226
432	432	Consol Freightways	74.5	13.7	146	368
433	■	Equitable Resources	74.2	43.8	93	463
434	425	Ipalco Enterprises	73.6	9.2	119	408
435	■	Pioneer Hi-Bred Intl	72.5	76.0	97	457
436	463	Citizens & Sthrn Ga	72.4	25.0	90	470
436	■	Stanley Works	72.4	36.6	109	428
438	163	General Re	72.2	−62.4	73	492
439	■	Bowater	72.1	89.7	116	413
440	■	PSFS	72.0	174.8	124	398
441	478	American Greetings	71.6	30.7	89	473
441	170	Colgate-Palmolive	71.6	−63.8	139	374
443	485	ConAgra	71.4	34.2	113	416
444	474	Tecumseh Products	70.7	28.1	94	462
445	■	Libbey-Owens-Ford	70.6	74.8	122	400
446	■	AmeriTrust	70.4	37.8	83	480
447	■	Berkshire Hathaway	70.2	2.9	79	486
448	443	Boise Cascade	69.6	15.2	227	266
449	256	Norwest	69.5	−44.5	112	418
450	419	Intl Flavors & Frag	69.2	1.2	82	481

■ Not on 500 list in 1983. D-P: deficit to profit.

The Forbes Profits 500

Rank 1984	Rank 1983	Company	Net profits ($mil)	% change over 1983	Cash flow ($mil)	Cash flow rank 1984
451	500	WW Grainger	68.9	33.3	90	472
452	474	Wendy's International	68.7	24.5	106	435
453	434	Kentucky Utilities	68.3	4.9	113	415
454	466	Lubrizol	67.7	4.6	106	433
455	441	Johnson Controls	67.3	9.8	111	422
456	■	First Executive	67.1	52.2	67	499
457	486	Alexander & Baldwin	66.6	25.4	99	454
458	447	Alco Standard	66.5	9.2	100	449
459	■	Sundstrand	66.4	50.2	128	391
460	■	Willamette Inds	66.2	196.9	128	392
461	■	National City	65.9	37.0	75	491
461	423	Washington Water Pwr	65.9	−2.7	93	466
463	393	Becton, Dickinson	65.7	115.4	125	396
464	372	CalFed	65.3	−18.9	103	442
465	495	Fleet Financial	65.0	25.0	91	469
465	225	Kerr-McGee	65.0	−45.1	377	160
465	■	Midlantic Banks	65.0	32.9	78	487
465	■	Sherwin-Williams	65.0	17.3	90	471
469	■	Sun Banks	64.9	40.2	88	474
470	■	Mack Trucks	64.6	D–P	93	465
471	480	Southeast Banking	64.1	17.6	93	464
472	417	McKesson	63.9	−8.7	107	431
473	453	Arkla	63.8	8.0	117	411
474	■	Zenith Electronics	63.6	37.4	95	459
475	429	Atlantic City Elec	63.3	−4.4	102	445
476	442	Maytag	63.1	4.0	77	488
476	■	Subaru of America	63.1	22.3	67	500
478	■	Intergraph	62.9	114.7	71	498
478	461	National Svc Inds	62.9	10.9	87	477
480	474	Alltel	62.6	13.4	159	340
480	495	Witco Chemical	62.6	20.4	108	429
482	■	CityFed Financial	62.0	41.2	72	495
482	470	Questar	62.0	11.3	110	423
484	■	McLean Industries	61.6	131.6	102	443
485	■	Lowe's Companies	61.4	21.3	76	490
485	■	Rainier Bancorp	61.4	30.1	73	494
487	■	Collins & Aikman	61.1	48.7	82	482
487	■	E-Systems	61.1	10.7	77	489
489	■	Home Federal S&L-Cal	61.0	64.9	81	485
490	■	Varian Associates	60.8	43.4	81	484
491	■	BF Goodrich	60.6	229.3	190	301
491	449	Iowa-Illinois G&E	60.6	1.8	110	426
493	492	First Atlanta	60.5	15.7	73	493
494	■	Norton	60.4	33.0	111	420
494	■	Valley National	60.4	31.9	82	483
496	491	US Bancorp	60.1	14.7	71	496
497	■	Illinois Tool Works	60.0	21.0	86	479
498	■	Prime Computer	59.7	83.7	100	452
499	■	Snap-On Tools	59.6	38.6	71	497
500	■	Crown Cork & Seal	59.5	15.5	100	450

■ Not on 500 list in 1983. D-P: deficit to profit.



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The Forbes Assets 500

Watch this list for redeployments of capital. Corporate America has shrinking acts going on over here and, at the same time, conglomerations proceeding over there.

Rank 1984	Rank 1983	Company	Assets ($mil)	% change over 1983
1	2	Citicorp	150,586	11.8
2	3	BankAmerica	117,680	–2.9
3	5	Fedl Natl Mortgage	88,359	12.0
4	4	Chase Manhattan	86,883	6.1
5	6	Manufacturers Hanover	75,714	17.7

THE ASSETS OF THE 500 companies on this list add up to $4.6 trillion. More than 60% of that is in the hands of the largest 20% of the companies, but to get on the list at all a company needed more than $2 billion.

Since, in the absence of reorganization, a company's asset figure tends to be stable, jumping around on the list is often attributable to mergers. Chevron (number 24), MCorp (50), Beatrice (101), Champion (159) and American Stores (285), among others, climbed the ladder that way.

But shrinking is in fashion, too. Unload the troubled division on managers in a leveraged buyout. Divest in order to escape the regulators. Don't book loans just for the sake of racing to the top of the list. Or simply look to maximize the value of the company for shareholders without concern for size. Exxon shrank in real terms last year, but shareholders aren't suffering *(see story, p. 66)*. Assets aren't worth much if they don't earn much.

AT&T lost 19 places on the ranking, but the drop was in some measure voluntary, the price paid to get into deregulated businesses like computers. The declines at Continental Illinois (28) and Caterpillar Tractor (172) came alongside earnings deficits.

Citicorp is number one now that AT&T is dismantled, and it is a fair bet that it will remain way out in front for a while. It is growing, in part, by acquisition, but that seems not so much a blind race for size as a calculated strategy to break down obstacles to interstate banking.

The list is dominated by financial corporations and manufacturers, but look at some of the fast-growing companies that are neither: Humana (410), Wal-Mart (480), Hospital Corp. of America (234), American Hospital Supply (442). The latter two have recently agreed to a merger; were it in place, it would yield total assets that would rate the 149th place on this list.

Winners

The leaders in asset growth.

Rank 1984	Rank 1983	Company	Assets ($mil)	% change over 1983
338	*	American Continental	3,302	291.0
285	*	American Stores	3,811	134.2
101	216	Beatrice	10,089	110.7
159	288	Champion International	6,815	90.6
83	145	National City	12,373	87.9

*Not on 500 list in 1983.

Losers

The laggards in asset growth.

Rank 1984	Rank 1983	Company	assets ($mil)	% change over 1983
28	15	Continental Illinois	30,413	–27.8
450	342	Warner Communications	2,380	–23.8
428	331	International Harvester	2,545	–20.8
420	324	Equimark	2,594	–20.3
482	383	Martin Marietta	2,224	–18.8

The Forbes Assets 500

Rank 1984	Rank 1983	Company	Assets ($mil)	% change over 1983
6	8	JP Morgan	64,126	10.5
7	7	Exxon	63,278	0.5
8	14	American Express	61,848	40.6
9	16	Phibro-Salomon	58,370	38.9
10	11	Sears, Roebuck	57,073	23.6
11	9	Chemical New York	52,236	2.1
12	12	General Motors	52,001	13.9
13	10	Aetna Life & Cas	51,023	7.1
14	17	Security Pacific	46,117	14.2
15	13	First Interstate Bancp	45,544	2.5
16	18	Bankers Trust NY	45,208	13.0
17	19	IBM	42,808	14.9
18	22	Mobil	41,851	19.3
19	20	First Chicago	39,846	9.7
20	1	American Tel & Tel	39,827	11.9
21	21	Cigna	39,035	11.2
22	24	Texaco	37,744	38.8
23	23	Travelers	36,435	10.8
24	32	Chevron	36,358	51.4
25	66	ITT	31,341	2.4
26	27	Merrill Lynch	30,840	18.0
27	26	Mellon Bank	30,603	15.8
28	15	Continental Illinois	30,413	−27.8
29	25	Wells Fargo	28,184	4.3
30	33	Ford Motor	27,449	15.0
31	38	Fin Corp of America	26,518	16.8
32	30	GTE	26,364	8.8
33	28	Standard Oil Indiana	25,734	−0.3
34	40	First Boston	25,297	15.0
35	35	General Electric	24,730	6.2
36	44	HF Ahmanson	24,307	20.2
37	29	El Du Pont	24,098	−1.4
38	39	Shell Oil	23,729	7.0
39	31	BellSouth	23,673	10.3
40	53	Gt Western Financial	23,555	26.4
41	43	First Bank System	22,438	7.5
42	34	Crocker National	22,322	−4.6
43	36	Atlantic Richfield	22,130	−5.0
44	47	Bank of Boston	22,079	13.0
45	37	Marine Midland Banks	22,056	−3.6
46	41	InterFirst	21,617	−0.6
47	50	RepublicBank	21,595	13.2
48	46	Norwest	21,346	7.5
49	48	Texas Commerce Bshs	20,732	6.3
50	77	MCorp	20,697	74.2
51	45	Nynex	19,853	7.3
52	61	American General	19,198	27.5
53	49	United States Steel	18,989	−1.7
54	54	Irving Bank	18,982	2.1
55	52	Bell Atlantic	18,684	7.9
56	57	Tenneco	18,205	1.2
57	68	EF Hutton Group	18,153	37.9
58	51	Pacific Telesis Group	18,077	5.5
59	56	Southwestern Bell	18,042	9.6
60	65	CalFed	17,699	23.5

Rank 1984	Rank 1983	Company	Assets ($mil)	% change over 1983
61	55	Amer Info Technol	17,635	4.7
62	60	Standard Oil Ohio	17,487	6.9
63	64	Pacific Gas & Elec	17,327	17.7
64	59	First City Bancorp	17,319	0.3
65	58	US West	17,017	9.0
66	69	Phillips Petroleum	16,965	29.6
67	63	Southern Company	16,763	11.5
68	62	Commonwlth Edison	16,302	8.3
69	71	NCNB	15,679	22.4
70	96	Xerox	15,406	19.3
71	72	Bank of New York	15,157	18.4
72	74	PNC Financial	14,870	21.4
73	67	NBD Bancorp	14,232	7.5
74	76	PSFS	13,723	15.1
75	70	American Elec Power	13,553	5.6
76	73	Sun Company	12,789	2.6
77	83	Lincoln National	12,604	13.7
78	79	Loews	12,557	9.1
79	82	Middle South Utils	12,556	13.1
80	84	Transamerica	12,502	14.2
81	95	Barnett Banks Fla	12,501	33.0
82	91	Republic New York	12,382	22.4
83	145	National City	12,373	87.9
84	113	Paine Webber Group	12,288	47.8
85	78	Occidental Petroleum	12,273	4.2
86	93	Glendale Federal S&L	11,663	12.3
87	80	Santa Fe Southern	11,649	2.3
88	87	CSX	11,636	7.4
89	88	American Intl Group	11,625	10.1
90	99	Student Loan Mktg	11,620	27.4
91	86	Burlington Northern	11,424	4.8
92	75	Dow Chemical	11,419	−4.7
93	81	Southern Calif Edison	11,359	0.6
94	85	Eastman Kodak	10,771	−1.4
95	150	First Natl State Bcp	10,680	4.9
96	116	Golden West Finl	10,620	29.7
97	89	Union Carbide	10,518	2.2
98	90	Union Pacific	10,392	1.7
99	233	Gulf & Western Inds	10,300	7.5
100	98	Unocal	10,203	10.6
101	216	Beatrice	10,089	110.7
102	111	Procter & Gamble	10,054	20.2
103	110	Household Intl	10,041	18.9
104	104	United Technologies	9,905	13.6
105	101	Southeast Banking	9,869	11.1
106	97	Continental Corp	9,852	6.2
107	105	CoreStates Financial	9,848	14.7
108	102	Texas Utilities	9,759	11.1
109	107	Pub Svc Elec & Gas	9,661	12.8
110	108	Comerica	9,631	12.6
111	123	Allied Bancshares	9,630	22.0
112	396	National Intergroup	9,614	3.4
113	103	Control Data	9,589	9.2
114	120	Philadelphia Electric	9,556	17.3
115	122	First Federal Mich	9,499	19.2

Rank 1984	Rank 1983	Company	Assets ($mil)	% change over 1983
116	100	Sun Banks	9,402	5.6
117	94	Philip Morris	9,339	−3.4
118	259	Gibraltar Financial	9,273	53.3
119	92	RJ Reynolds Inds	9,272	3.9
120	117	K mart	9,262	13.2
121	109	Consumers Power	9,211	8.8
122	106	Westinghouse Electric	9,150	6.8
123	133	Banc One	9,106	25.2
124	143	Chrysler	9,063	33.8
125	115	Detroit Edison	8,970	9.5
126	141	Home Federal S&L-Cal	8,886	30.6
127	119	Valley National	8,777	7.8
128	124	Wachovia	8,717	11.0
129	114	Consolidated Edison	8,688	5.3
130	118	Norfolk Southern	8,667	6.1
131	129	Boeing	8,485	13.6
132	157	Imperial Corp of Am	8,465	38.5
133	134	Sovran Financial	8,287	15.3
134	127	RCA	8,221	7.4
135	128	Allied Corp	8,189	7.1
136	130	JC Penney	8,170	9.8
137	125	FPL Group	8,161	5.7
138	126	Dominion Resources	8,098	5.3
139	137	Citizens & Sthrn Ga	8,030	15.8
140	132	Duke Power	8,019	8.7
141	190	Norstar Bancorp	7,909	47.8
142	144	Beneficial Corp	7,886	14.7
143	152	Rainier Bancorp	7,762	21.0
144	242	American Brands	7,746	15.8
145	146	Houston Industries	7,642	16.2
146	142	CityFed Financial	7,595	11.8
147	147	US Bancorp	7,496	15.1
148	140	First Union	7,320	7.6
149	174	Maryland National	7,286	26.9
150	148	Northern Trust	7,225	12.2
151	151	Midlantic Banks	7,177	11.9
152	139	Kemper	7,075	3.5
153	171	First Atlanta	7,003	21.5
154	234	LTV	6,926	57.2
155	160	Penn Power & Light	6,911	14.2
156	153	Long Island Lighting	6,901	12.1
157	158	CBT	6,862	13.0
158	170	AmeriTrust	6,845	18.1
159	288	Champion Intl	6,815	90.6
160	138	Michigan National	6,769	−1.8
161	169	Bank of New England	6,755	16.4
162	212	Gr Amer Fst Savings	6,720	37.2
163	166	Ohio Edison	6,690	13.3
164	173	Shawmut	6,509	13.1
165	176	Central & South West	6,419	12.3
166	206	Columbia S&L	6,382	27.7
167	149	Monsanto	6,373	−0.9
168	156	Amerada Hess	6,353	2.2
169	155	Alcoa	6,342	1.2
170	214	First Executive	6,320	31.4

The Forbes Assets 500

Rank 1984	Rank 1983	Company	Assets ($mil)	% change over 1983
171	188	Niagara Mohawk Power	6,233	16.3
172	136	Caterpillar Tractor	6,223	–10.7
173	168	Manufacturers National	6,216	7.1
174	192	General Public Utils	6,216	16.5
175	208	Digital Equipment	6,200	25.3
176	163	Goodyear	6,194	3.5
177	221	Hartford National	6,192	32.4
178	215	McDonnell Douglas	6,191	29.2
179	213	Trust Co of Georgia	6,165	27.1
180	194	USF&G	6,158	16.6
181	205	InterNorth	6,122	22.2
182	172	Minn Mining & Mfg	6,094	5.8
183	182	General Re	6,053	11.3
184	186	Texas American Bshs	6,033	11.5
185	177	Fidelcor	5,975	5.5
186	193	Carolina Power & Lt	5,964	12.7
187	197	Coca-Cola	5,958	14.0
188	165	Weyerhaeuser	5,958	0.2
189	180	Mercantile Bancorp	5,944	7.9
190	185	United Virginia Bshs	5,941	9.7
191	198	Union Electric	5,879	12.9
192	243	Society	5,835	36.3
193	178	International Paper	5,795	3.2
194	191	Rockwell Intl	5,791	8.5
195	223	Texas Eastern	5,757	24.0
196	175	Fleet Financial	5,748	0.2
197	187	Sperry	5,741	6.8
198	263	Teledyne	5,714	–18.7
199	299	Key Banks	5,621	61.0
200	183	Huntington Bancshs	5,574	2.7
201	164	Deere	5,556	–6.6
202	■	Greyhound	5,527	28.0
203	217	Capital Holding	5,520	15.4
204	203	First Wisconsin	5,516	9.0
205	199	Signal Cos	5,511	5.9
206	226	Northeast Utilities	5,507	19.0
207	271	Meridian Bancorp	5,494	47.4
208	209	United Telecom	5,441	10.0
209	162	Diamond Shamrock	5,396	–10.4
210	200	Panhandle Eastern	5,369	3.4
211	291	Florida Natl Banks	5,357	50.9
212	201	First Pennsylvania	5,356	4.0
213	167	Halliburton	5,352	–8.3
214	204	WR Grace	5,328	5.8
215	179	St Paul Cos	5,327	–4.8
216	184	Dart & Kraft	5,285	–2.5
217	211	Federated Dept Stores	5,271	7.6
218	219	AMR	5,261	11.3
219	189	Centerre Bancorp	5,215	–2.6
220	196	Columbia Gas System	5,201	–0.7
221	224	BayBanks	5,180	11.7
222	202	UAL	5,159	0.5
223	232	Hewlett-Packard	5,131	16.6
224	218	Riggs National	5,120	7.4
225	210	First Security	5,107	3.3
226	235	Carteret Savings	5,041	14.7
227	260	Florida Federal S&L	5,019	28.8
228	239	California First Bnk	5,002	15.1
229	225	PepsiCo	4,950	6.7
230	245	Cleveland Elec Illum	4,926	15.4
231	237	Gulf States Utils	4,887	12.3
232	240	Public Service Indiana	4,860	11.9
233	256	IC Industries	4,840	21.5
234	253	Hospital Corp of Am	4,829	18.3
235	207	Georgia-Pacific	4,785	–3.9
236	222	Honeywell	4,760	1.8
237	255	State Street Boston	4,744	17.3
238	230	PacifiCorp	4,736	6.4
239	227	First Tennessee Natl	4,658	0.9
240	236	Arizona Public Serv	4,654	6.1
241	300	Commerce Bancshrs	4,616	32.8
242	247	Merck	4,591	8.9
243	246	Continental Telecom	4,557	7.8
244	228	Johnson & Johnson	4,541	1.8
245	249	Safeway Stores	4,537	8.7
246	220	Williams Cos	4,534	–3.3
247	241	Anheuser-Busch Cos	4,525	4.5
248	251	Burroughs	4,504	9.9
249	244	Litton Industries	4,478	2.2
250	238	General Foods	4,400	1.2
251	229	Bethlehem Steel	4,387	–1.6
252	292	Chubb	4,370	23.5
253	■	First Federal S&L	4,361	38.8
254	265	Dominion Bankshares	4,317	12.8
255	332	Provident Life & Acc	4,314	35.1
256	280	AmSouth Bancorp	4,282	17.7
257	250	First of America Bnk	4,261	3.7
258	371	American Can	4,253	0.9
259	275	Pacific Lighting	4,243	14.1
260	273	Third National	4,231	13.6
261	272	McDonald's	4,230	13.5
262	261	United Banks of Colo	4,215	9.0
263	326	Motorola	4,194	29.6
264	325	Continental Bancorp	4,160	28.4
265	352	Western Savings & Loan	4,144	39.8
266	264	Bank of Virginia	4,134	7.4
267	278	First Maryland Bncp	4,108	12.4
268	274	American Security	4,080	9.5
269	443	South Carolina Natl	4,078	76.6
270	281	United Jersey Banks	4,051	11.4
271	258	Pfizer	4,047	2.8
272	309	Northeast Savings	4,028	19.4
273	276	Old Kent Financial	4,025	8.6
274	266	Baltimore Gas & Elec	4,011	5.3
275	257	Am Natural Resources	4,001	1.4
276	231	AMAX	3,977	–10.6
277	301	Illinois Power	3,965	15.4
278	298	First American	3,963	13.3
279	310	Marshall & Ilsley	3,958	17.7
280	444	Mesa Petroleum	3,956	71.6
281	254	Ashland Oil	3,946	–3.5
282	297	MCI Communications	3,894	11.2
283	303	Safeco	3,884	13.8
284	307	Bancorp Hawaii	3,852	14.1
285	■	American Stores	3,811	134.2
286	286	Dayton-Hudson	3,800	6.0
287	284	PPG Industries	3,797	5.0
288	277	No Indiana Pub Svc	3,787	2.5
289	319	Reynolds Metals	3,783	14.8
290	267	Kerr-McGee	3,771	–1.0
291	269	Eastern Air Lines	3,769	0.3
292	282	Nabisco Brands	3,761	3.7
293	■	Landmark Banking Fla	3,759	6.2
294	377	First Florida Banks	3,751	34.1
295	252	Fluor	3,751	–7.2
296	306	No States Power	3,742	10.2
297	289	Allegheny Power	3,737	4.9
298	338	NY State Elec & Gas	3,733	18.8
299	341	Houston Natural Gas	3,732	30.4
300	315	Atlantic Bancorp	3,723	11.8
301	296	Kroger	3,687	5.3
302	285	Armco	3,687	2.2
303	283	Transco Energy	3,677	1.4
304	321	Amer Savings & Loan	3,650	11.4
305	304	Eli Lilly	3,644	6.7
306	453	Banks of Mid-America	3,643	61.1
307	328	Sonat	3,640	12.9
308	295	United Financial Grp	3,633	3.7
309	270	Raytheon	3,600	–3.5
310	290	NCR	3,589	0.8
311	319	MidCon	3,587	8.9
312	308	American Fletcher	3,569	5.7
313	305	Washington Mutual	3,558	4.7
314	317	First Kentucky Natl	3,543	6.8
315	293	Kaiser Alum & Chem	3,532	0.7
316	302	American Natl Ins	3,531	3.0
317	337	Duquesne Light	3,530	12.2
318	350	Banco Popular PR	3,527	18.6
319	351	Texas Oil & Gas	3,511	18.2
320	312	Consol Natural Gas	3,506	4.4
321	330	First Alabama Bshs	3,504	9.0
322	322	Jefferson-Pilot	3,498	6.7
323	294	Boatmen's Bancshares	3,482	–0.7
324	316	TRW	3,481	4.8
325	340	New England Electric	3,441	9.9
326	387	Texas Instruments	3,423	26.2
327	348	SouthTrust	3,423	14.0
328	369	Boise Cascade	3,409	20.2
329	345	Cullen/Frost Bankers	3,382	10.4
330	323	Enserch	3,363	3.2
331	344	Indiana National	3,359	9.5
332	311	Washington National	3,356	–0.1
333	327	Delta Air Lines	3,351	3.7
334	318	Southland	3,340	0.9
335	346	American Cyanamid	3,327	8.9

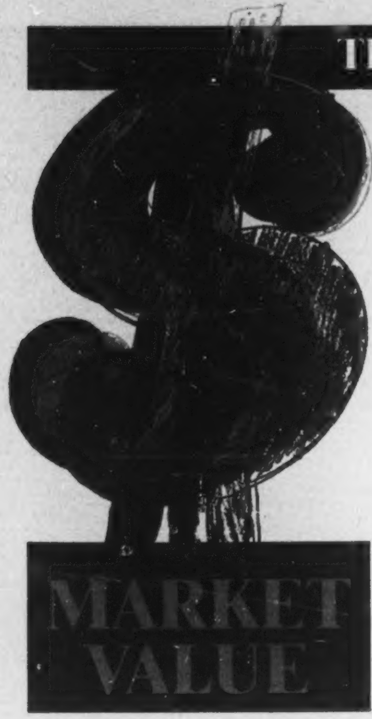
■ Not on 500 list in 1983.

The Forbes Assets 500

Rank 1984	Rank 1983	Company	Assets ($mil)	% change over 1983
336	384	Scott Paper	3,322	22.0
337	339	Florida Progress	3,315	5.6
338	■	American Continental	3,302	291.0
339	329	Torchmark	3,297	2.5
340	313	Coastal Corp	3,296	−1.3
341	335	General Mills	3,285	3.8
342	362	Equitable Bancorp	3,271	13.8
343	349	CBS	3,262	9.1
344	381	Arizona Bancwest	3,251	17.8
345	347	Bristol-Myers	3,249	8.0
346	287	Pennzoil	3,243	−9.5
347	407	Archer Danls Midland	3,231	6.1
348	333	Dresser Industries	3,213	1.0
349	393	Citizens Fidelity	3,206	20.2
350	334	SmithKline Beckman	3,194	0.8
351	374	Central Bancorp	3,190	13.0
352	353	Owens-Illinois	3,183	8.4
353	373	Abbott Laboratories	3,173	12.4
354	358	Kimberly-Clark	3,173	9.3
355	372	Lockheed	3,166	11.9
356	355	Cincinnati G&E	3,131	6.9
357	359	Centran	3,116	8.0
358	336	Uslife	3,108	−1.6
359	364	Celanese	3,104	8.2
360	481	BancOklahoma	3,065	45.7
361	386	Sara Lee	3,053	12.2
362	366	May Dept Stores	3,047	7.1
363	379	Central Bancshares	3,038	9.7
364	370	General Dynamics	3,035	7.0
365	343	American Home Prod	3,033	−1.7
366	409	Emerson Electric	2,988	18.6
367	380	Moore Financial	2,980	7.7
368	389	Central Fidelity Bks	2,951	9.2
368	367	San Diego Gas & Elec	2,951	3.9
370	397	United Missouri Bshs	2,922	10.7
371	418	Fin Corp Santa Barbara	2,912	18.2
372	404	Suburban Bancorp	2,906	12.6
373	411	Marriott	2,905	16.1
374	356	Warner-Lambert	2,900	−0.7
375	368	Utah Power & Light	2,900	2.2
376	376	Potomac Elec Power	2,894	3.1
377	385	Borden	2,884	6.0
378	382	Trans World Airlines	2,879	5.1
379	427	Toledo Edison	2,865	19.3
380	394	Public Service Colo	2,862	7.4
381	462	Citadel Holding	2,845	28.9
382	429	Guarantee Finl Cal	2,843	18.8
383	417	Walt Disney	2,824	14.5
384	■	Amer Medical Intl	2,811	NA
385	455	Ryder System	2,810	24.5
386	422	Transohio Finl	2,797	14.3
387	401	Borg-Warner	2,783	6.3
388	399	First Natl Cinc	2,780	5.6
389	391	Farm & Home Savings	2,778	3.1
390	402	First Hawaiian	2,772	6.4
391	363	Penn Central	2,766	−3.7
392	413	Northwestern Finl	2,756	10.7
393	421	Sumitomo Bank Cal	2,752	12.1
394	365	First Oklahoma Bncp	2,733	−4.5
395	354	Pillsbury	2,732	−2.1
396	410	Combined Intl	2,721	8.2
397	420	Marine	2,717	10.7
398	442	Zions Utah Bancorp	2,711	17.3
399	483	Ralston Purina	2,701	28.7
400	398	Jim Walter	2,693	2.1
401	419	Colorado Natl Bnkshs	2,692	9.3
402	434	First Virginia Banks	2,687	13.9
403	432	Commerce Union	2,686	13.4
404	375	Murphy Oil	2,685	−4.4
405	423	Horizon Bancorp	2,685	10.6
406	415	CPC International	2,683	8.1
407	424	Allied Stores	2,676	10.3
408	438	Natl Bancshares Texas	2,666	13.6
409	357	Pan Am Corp	2,645	−9.1
410	452	Humana	2,644	16.4
411	451	Valley Federal S&L	2,636	16.0
412	405	Firestone	2,627	1.9
413	440	Old Stone	2,625	13.4
414	406	BF Goodrich	2,622	1.8
415	450	Time Inc	2,615	15.0
416	449	Eaton	2,612	14.6
417	400	Inland Steel	2,608	−0.7
418	■	Ethyl	2,599	10.3
419	414	Public Service NM	2,599	4.5
420	324	Equimark	2,594	−20.3
421	445	Deposit Guaranty	2,587	12.7
422	395	Colgate-Palmolive	2,568	−3.6
423	431	Union Camp	2,567	7.8
424	488	Public Service NH	2,565	23.0
425	■	Natl Medical Entrprs	2,557	14.4
426	430	Times Mirror	2,555	7.2
427	425	HJ Heinz	2,552	5.4
428	331	Intl Harvester	2,545	−20.8
429	416	Gelco	2,541	3.2
430	■	Wang Laboratories	2,540	32.4
431	426	Crown Zellerbach	2,533	5.1
432	458	North Amer Philips	2,518	11.8
432	428	Schering-Plough	2,518	5.0
434	408	GATX	2,514	−0.7
435	459	Affiliated Bshs Colo	2,510	11.6
436	403	Combustion Eng	2,508	−3.0
437	435	Scana	2,500	6.0
438	■	First Columbia Finl	2,499	54.9
439	388	United Energy Res	2,495	−8.0
440	436	Centel	2,478	5.4
441	412	Wisconsin Elec Power	2,469	−0.9
442	448	Amer Hospital Supply	2,461	8.0
443	467	Campbell Soup	2,439	12.2
444	447	Avon Products	2,438	6.6
445	491	Kansas City Power & Lt	2,425	17.1
446	378	FMC	2,400	−13.8
447	494	Citizens Southern SC	2,398	16.9
448	466	Hercules	2,389	9.8
449	392	Nicor	2,385	−11.2
450	342	Warner Comm	2,380	−23.8
451	456	Air Prods & Chems	2,378	5.4
452	437	Portland Genl Elec	2,374	1.1
453	■	Bank South	2,371	24.6
454	■	Northwestern Natl	2,368	46.5
455	■	Fifth Third Bancorp	2,363	27.4
456	489	Merchants National	2,354	13.0
457	■	Holiday Inns	2,348	21.2
458	465	Union National	2,344	7.2
459	457	Manville	2,339	3.8
460	486	Amer Broadcasting	2,335	11.7
461	439	US Trust	2,326	−0.3
462	480	RH Macy	2,318	10.2
463	461	Revlon	2,311	4.3
464	433	FW Woolworth	2,311	−2.2
465	■	Georgia Federal Bank	2,311	1.5
466	469	Toledo Trustcorp	2,301	7.0
467	■	Dun & Bradstreet	2,288	37.1
468	454	Dauphin Deposit	2,285	1.1
469	■	American Standard	2,277	40.7
470	474	Mercantile Bankshrs	2,275	7.1
471	485	Farmers Group	2,275	1.5
472	470	So New England Tel	2,270	6.7
473	494	RIHT Financial	2,265	10.9
474	475	Western Union	2,259	6.4
475	485	Dana	2,257	7.7
476	■	Downey Savings & Loan	2,253	20.3
477	464	Upjohn	2,248	2.4
478	500	Boston Edison	2,247	12.6
479	492	First Empire State	2,242	8.3
480	■	Wal-Mart Stores	2,229	34.9
481	490	City National	2,225	7.4
482	383	Martin Marietta	2,224	−18.8
483	477	Whitney Holding	2,223	4.8
484	463	Burlington Inds	2,216	0.9
485	473	Puget Sound Power & Lt	2,212	4.0
486	479	Textron	2,210	5.0
487	487	Mead	2,205	5.6
488	441	Ingersoll-Rand	2,203	−4.7
489	471	Oklahoma Gas & Elec	2,202	3.5
490	■	Dallas Federal Fincl	2,196	25.9
491	■	Midwest Finl Group	2,177	45.5
492	■	Peoples Bancorp	2,173	9.4
493	■	First Citizens	2,167	12.1
494	■	Kansas Gas & Elec	2,151	20.9
495	■	Squibb	2,134	9.7
496	485	Newmont Mining	2,133	2.0
497	■	Great Lakes Fed S&L	2,121	19.2
498	■	Sunwest Financial	2,112	8.2
499	468	Baker International	2,093	−3.4
500	■	Union Trust Bancorp	2,090	21.8

■Not on 500 list in 1983. NA: not available.

The Forbes Market Value 500



Two factors are at work on this list: the performance of the stock market and the temptation of corporate treasurers to substitute debt for equity.

BRINGING UP THE REAR on our list this year, and bucking the trend with a valiant 16.6% gain in market value, is Idaho Power Co. It pays a steadily rising dividend generated by its 16 hydro plants, and it doesn't have any nuclear reactors. Wall Street loved it last year.

Rank 1984	Rank 1983	Company	Market value ($mil)	% change over 1983
1	1	IBM	75,437	1.2
2	3	Exxon	35,237	11.4
3	4	General Electric	25,757	-3.4
4	5	General Motors	24,723	5.6
5	2	American Tel & Tel	20,235	17.2

But for the market in general, 1984 was not pleasant. The total value of this 500 list in December was an emaciated $1.27 trillion, off $50 billion from the previous year's list. What happened?

One of the most important factors in market valuation is earnings growth, which was less than sparkling *(see p. 174).* But something else is going on here. Without it, the change in total market value would have been flat to slightly positive. And that factor is the recapitalization of corporate America.

Look at Teledyne (number 108), with a 15.5% decline in market value of outstanding stock. It pays no dividend, but its stockholders had a very good year, with a 47% return, all in the form of appreciation. Teledyne bought in almost half its outstanding stock, nearly doubling long-term debt to pay for the stock. Done properly, share repurchases cut a company's tax bill (interest is deductible), while increasing earnings per share for the remaining stock. And when repurchases succeed in boosting the stock price, the shareholders do well, too. Long-term capital gains are taxed more favorably than dividends.

The same debt-for-equity exchange takes place when one oil company borrows money to buy the equity of another oil company. The tax bill of the combined entity goes down. That makes mergers feasible even when they will add nothing to economic efficiency.

Salomon Brothers estimates that $98 billion was withdrawn from the pool of corporate equity in 1984, indicating that repurchases and cash takeovers exceeded new stock issues by about that amount.

Winners

The largest increase in market value.

Rank 1984	Rank 1983	Company	Market value ($mil)	% change over 1983
246	424	Data General	1,449	71.2
262	448	IC Industries	1,346	68.5
38	76	Digital Equipment	6,489	57.9
176	300	Penn Central	1,881	57.5
316	494	NCNB	1,099	55.3

Losers

The largest decrease in market value.

Rank 1984	Rank 1983	Company	Market value ($mil)	% change over 1983
492	251	Armco	654	-52.7
152	62	Tandy	2,140	-52.5
192	92	MCI Communications	1,760	-47.8
366	195	Levi Strauss	932	-46.6
182	95	Baxter Travenol Labs	1,855	-43.4

The Forbes Market Value 500

Rank 1984	Rank 1983	Company	Market value ($mil)	% change over 1983
6	10	Shell Oil	17,195	39.1
7	6	Standard Oil Indiana	14,352	−3.2
8	9	EI Du Pont	11,861	−4.5
9	7	Sears, Roebuck	11,481	−12.8
10	8	Eastman Kodak	11,184	−11.3
11	12	Mobil	11,059	−5.5
12	11	Chevron	10,691	−9.5
13	14	Atlantic Richfield	10,407	−3.7
14	21	BellSouth	10,170	25.0
15	13	Standard Oil Ohio	9,868	−11.0
16	19	Philip Morris	9,787	9.1
17	17	Procter & Gamble	9,530	0.7
18	16	Minn Mining & Mfg	9,144	−5.5
19	15	Hewlett-Packard	8,702	−19.8
20	23	Ford Motor	8,491	9.5
21	20	GTE	8,297	−0.5
22	25	Coca-Cola	8,160	11.9
23	27	American Express	8,158	17.2
24	18	Texaco	8,110	−12.7
25	31	Bell Atlantic	8,007	27.0
26	24	American Home Prod	7,676	−0.8
27	32	Amer Info Technol	7,529	20.9
28	34	Nynex	7,462	25.6
29	28	RJ Reynolds Inds	7,441	8.1
30	36	Bristol-Myers	7,194	24.9
31	39	Southwestern Bell	7,042	25.1
32	46	Phillips Petroleum	6,920	30.9
33	45	Pacific Telesis Group	6,890	28.5
34	38	Pfizer	6,792	19.1
35	43	US West	6,791	26.4
36	29	Merck	6,778	1.4
37	22	Johnson & Johnson	6,605	−15.5
38	76	Digital Equipment	6,489	57.9
39	40	Unocal	6,427	17.0
40	37	Tenneco	5,515	−3.5
41	71	Boeing	5,505	29.8
42	42	Wal-Mart Stores	5,310	−2.7
43	30	Dow Chemical	5,228	−20.0
44	48	Sun Company	5,195	2.2
45	64	Pacific Gas & Elec	5,189	16.1
46	41	Abbott Laboratories	5,020	−8.4
47	88	Dun & Bradstreet	4,990	NC
48	58	American Intl Group	4,961	6.3
49	67	Commonwlth Edison	4,912	13.0
50	59	Citicorp	4,893	5.8
51	77	Southern Calif Edison	4,836	20.8
52	60	Emerson Electric	4,764	4.6
53	70	Eli Lilly	4,722	11.0
54	79	Southern Company	4,720	25.5
55	61	Phibro-Salomon	4,634	2.1
56	50	Santa Fe Southern	4,612	−7.6
57	35	Union Pacific	4,609	−20.9
58	52	Westinghouse Electric	4,566	−4.7
59	74	McDonald's	4,510	7.8
60	47	Rockwell Intl	4,491	−12.1
61	73	K mart	4,405	5.2
62	68	United Technologies	4,400	1.5
63	55	SmithKline Beckman	4,142	−12.0
64	33	ITT	4,105	−33.4
65	81	Dart & Kraft	4,081	11.7
66	87	PepsiCo	4,026	12.5
67	44	Motorola	4,009	−25.3
68	107	American Elec Power	4,007	30.1
69	97	Consolidated Edison	3,994	23.8
70	93	Chrysler	3,887	15.5
71	65	Weyerhaeuser	3,782	−14.9
72	102	Gannett	3,768	19.7
73	49	Texas Oil & Gas	3,757	−25.0
74	78	Norfolk Southern	3,689	−7.1
75	86	Aetna Life & Cas	3,648	1.8
76	54	Xerox	3,632	−22.9
77	85	Signal Cos	3,616	0.7
78	51	Wang Laboratories	3,599	−26.6
79	75	AMP	3,596	−12.3
80	84	CSX	3,590	−0.7
81	96	American Brands	3,539	8.7
82	72	JC Penney	3,449	−18.0
83	69	Monsanto	3,444	−20.0
84	80	Burlington Northern	3,440	−6.5
85	110	Anheuser-Busch Cos	3,413	12.8
86	117	Texas Utilities	3,391	17.9
87	82	Raytheon	3,385	−7.3
88	90	Hospital Corp of Am	3,325	−2.3
89	120	JP Morgan	3,279	19.6
90	151	GD Searle	3,219	48.7
91	98	Cigna	3,201	−0.2
92	56	Intel	3,187	−32.1
93	123	Travelers	3,155	18.7
94	53	Halliburton	3,092	−35.3
95	111	Dayton-Hudson	3,056	1.5
96	143	Pub Svc Elec & Gas	3,011	28.7
97	108	General Dynamics	3,003	−2.0
98	83	Alcoa	3,002	−17.4
99	63	Caterpillar Tractor	3,001	−33.3
100	124	Ralston Purina	2,986	14.3
101	128	Nabisco Brands	2,972	14.2
102	119	RCA	2,964	4.3
103	109	Honeywell	2,955	−3.0
104	94	Texas Instruments	2,942	−11.7
105	133	Duke Power	2,933	17.2
106	121	HJ Heinz	2,927	11.1
107	144	McDonnell Douglas	2,892	26.3
108	89	Teledyne	2,880	−15.5
109	139	Squibb	2,878	19.0
110	106	General Re	2,874	−7.0
111	112	Allied Corp	2,865	−3.9
112	159	Loews	2,853	40.7
113	130	Lockheed	2,846	12.6
114	100	United States Steel	2,800	−11.9
115	129	Times Mirror	2,775	7.8
116	99	Goodyear	2,769	−13.5
117	103	BankAmerica	2,746	−12.6
118	142	Warner-Lambert	2,740	15.6
119	113	Litton Industries	2,725	−7.9
120	114	International Paper	2,691	−8.3
121	140	Occidental Petroleum	2,687	12.0
122	104	Dow Jones	2,685	−13.9
123	116	TRW	2,669	−7.8
124	122	General Foods	2,664	−0.3
125	91	NCR	2,653	−21.6
126	147	FPL Group	2,646	16.7
127	149	Middle South Utils	2,601	17.1
128	105	Time Inc	2,598	NC
129	118	Merrill Lynch	2,594	−9.5
130	66	Union Carbide	2,589	−41.5
131	146	Burroughs	2,574	12.5
132	101	Beatrice	2,563	−18.9
133	132	Georgia-Pacific	2,563	2.0
134	175	Dominion Resources	2,516	37.2
135	127	Federated Dept Stores	2,510	−3.7
136	136	Kellogg	2,463	−0.6
137	137	American Cyanamid	2,435	−0.6
138	157	Philadelphia Electric	2,414	17.6
139	135	Sperry	2,347	−8.1
140	138	PPG Industries	2,300	−5.7
141	154	Humana	2,279	8.6
142	134	General Mills	2,253	−7.4
143	162	Campbell Soup	2,243	14.0
144	179	Houston Industries	2,238	23.7
145	182	Detroit Edison	2,225	24.2
146	131	Diamond Shamrock	2,216	−11.9
147	155	Kimberly-Clark	2,177	5.1
148	152	McGraw-Hill	2,151	1.5
149	163	CBS	2,151	9.4
150	180	Upjohn	2,150	19.2
151	188	Marsh & McLennan	2,143	21.4
152	62	Tandy	2,140	−52.5
153	148	Waste Management	2,138	−3.9
154	184	Central & South West	2,130	19.4
155	169	Capital Cities Commun	2,118	12.3
156	125	RH Macy	2,088	−20.7
157	115	Amer Hospital Supply	2,087	−28.8
158	166	Toys "R" Us	2,074	8.9
159	190	Colgate-Palmolive	2,065	17.1
160	209	Champion Intl	2,064	30.0
161	204	Niagara Mohawk Power	2,030	23.9
162	141	Amerada Hess	2,019	−15.8
163	126	Deere	2,018	−22.7
164	181	United Telecom	2,008	12.0
165	145	Gulf & Western Inds	1,991	−5.4
166	193	Pennzoil	1,988	13.6
167	177	Walt Disney	1,977	8.8
168	176	Melville	1,969	7.6
169	165	Marriott	1,951	1.9
170	173	CPC International	1,943	4.0

NC: not comparable.

The Forbes Market Value 500

Rank		Company	Market value ($mil)	% change over 1983
1984	1983			
171	216	Pillsbury	1,933	22.8
172	150	WR Grace	1,929	−12.1
173	156	MCA	1,928	−6.1
174	200	Knight-Ridder News	1,903	11.9
175	153	Borg-Warner	1,902	−10.1
176	300	Penn Central	1,881	57.5
177	171	Security Pacific	1,881	0.2
178	240	RR Donnelley & Sons	1,874	27.8
179	197	Fort Howard Paper	1,872	8.5
180	241	Penn Power & Light	1,872	29.1
181	172	Avon Products	1,869	−0.2
182	95	Baxter Travenol Labs	1,855	−43.4
183	192	InterNorth	1,854	5.9
184	183	Archer Daniels Midland	1,845	3.3
185	205	Amer Broadcasting	1,835	12.5
186	259	Continental Corp	1,835	35.0
187	170	Schering-Plough	1,826	−3.0
188	168	Hercules	1,811	−4.3
189	196	First Interstate Bancorp	1,805	4.5
190	201	Kroger	1,770	6.9
191	244	Apple Computer	1,765	21.9
192	92	MCI Communications	1,760	−47.8
193	263	Bankers Trust NY	1,753	31.0
194	213	Chase Manhattan	1,751	10.7
195	194	AMR	1,750	0.2
196	238	Sara Lee	1,745	19.2
197	234	Gillette	1,745	16.8
198	214	Delta Air Lines	1,743	10.3
199	228	American General	1,741	15.1
200	202	Sterling Drug	1,739	5.1
201	187	Eaton	1,731	−2.2
202	160	Union Camp	1,728	−14.1
203	206	Genuine Parts	1,725	5.9
204	252	Consol Natural Gas	1,720	24.4
205	161	Transamerica	1,705	−14.8
206	186	Whirlpool	1,703	−3.9
207	255	Carolina Power & Lt	1,691	23.0
208	246	Farmers Group	1,685	18.9
209	211	Borden	1,684	6.4
210	225	Scott Paper	1,670	9.7
211	267	Ohio Edison	1,650	24.2
212	232	Natl Medical Entrprs	1,650	8.2
213	312	Amer Medical Intl	1,647	43.7
214	229	Household Intl	1,644	8.8
215	218	May Dept Stores	1,640	5.8
216	178	Advanced Micro Devcs	1,637	−10.2
217	293	Union Electric	1,636	34.2
218	268	Chemical New York	1,635	23.4
219	272	Northrop	1,625	23.8
220	227	Safeway Stores	1,624	7.3
221	167	Masco	1,623	−14.6
222	221	Panhandle Eastern	1,621	5.9
223	158	Federal Express	1,613	−24.5
224	299	Pacific Lighting	1,612	34.1
225	243	Limited	1,608	10.9

Rank		Company	Market value ($mil)	% change over 1983
1984	1983			
226	292	Baltimore Gas & Elec	1,597	30.8
227	235	Continental Telecom	1,595	6.8
228	253	Lincoln National	1,592	15.5
229	217	Rohm & Haas	1,582	0.9
230	287	Martin Marietta	1,572	28.0
231	224	Texas Eastern	1,558	2.4
232	302	Quaker Oats	1,557	31.3
233	276	Arizona Public Serv	1,543	19.4
234	248	PacifiCorp	1,531	9.7
235	322	New York Times	1,530	37.7
236	281	UAL	1,529	20.6
237	185	Holiday Inns	1,522	−14.4
238	233	USF&G	1,506	0.5
239	212	Dana	1,498	−5.3
240	297	Northeast Utilities	1,490	23.6
241	261	Manufacturers Hanover	1,488	10.8
242	314	Am Natural Resources	1,482	31.1
243	207	Kerr-McGee	1,471	−9.0
244	231	Berkshire Hathaway	1,462	−2.7
245	239	Corning Glass Works	1,461	−0.6
246	424	Data General	1,449	71.2
247	295	Cleveland Elec Illum	1,444	18.9
248	220	FMC	1,430	−6.9
249	223	Hilton Hotels	1,423	−6.6
250	275	Allegheny Power	1,420	9.5
251	370	Intergraph	1,416	44.1
252	249	Air Prods & Chems	1,402	1.1
253	277	Morton Thiokol	1,398	8.4
254	285	Tribune	1,396	12.9
255	278	Cox Communications	1,393	9.1
256	203	Dresser Industries	1,388	−15.7
257	305	Walgreen	1,381	17.7
258	283	Auto Data Processing	1,377	10.7
259	266	Sonat	1,370	3.0
260	198	Control Data	1,350	−21.7
261	257	Columbia Gas System	1,348	−1.6
262	448	IC Industries	1,346	68.5
263	242	General Signal	1,344	−7.1
264	363	Illinois Power	1,339	34.1
265	303	Revlon	1,317	11.8
266	191	Houston Natural Gas	1,316	−25.1
267	298	Winn-Dixie Stores	1,305	8.4
268	309	No States Power	1,293	11.1
269	230	Southland	1,277	−15.1
270	318	Pitney Bowes	1,275	13.8
271	247	Browning-Ferris Inds	1,274	−11.2
272	394	Transco Energy	1,270	41.9
273	265	Texas Commerce Bshs	1,266	−5.0
274	271	Mellon Bank	1,247	−5.2
275	341	MidCon	1,246	19.5
276	189	Warner Comm	1,240	−29.7
277	352	San Diego Gas & Elec	1,237	21.9
278	445	Jefferson-Pilot	1,235	53.7
279	208	Avnet	1,232	−26.1
280	326	Combined Intl	1,229	11.2

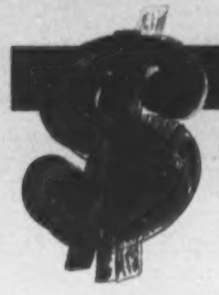
Rank		Company	Market value ($mil)	% change over 1983
1984	1983			
281	336	Gulf States Utilities	1,228	15.1
282	347	Safeco	1,224	18.7
283	396	Deluxe Check Printers	1,224	37.1
284	395	Mesa Petroleum	1,222	36.6
285	250	Roadway Services	1,217	−12.2
286	334	Dover	1,214	13.2
287	360	American Can	1,212	21.0
288	365	Hershey Foods	1,210	22.1
289	373	NY State Elec & Gas	1,198	22.7
290	236	Cooper Industries	1,195	−19.9
291	349	Potomac Elec Power	1,192	15.9
292	344	Owens-Illinois	1,190	14.8
293	306	American Stores	1,188	1.3
294	408	American Standard	1,188	37.3
295	284	Black & Decker	1,184	−4.8
296	282	Utah Power & Light	1,184	−5.2
297	262	Baker International	1,174	−13.8
298	331	Super Valu Stores	1,171	8.4
299	290	Enserch	1,166	−4.6
300	258	Fluor	1,165	−14.3
301	325	FW Woolworth	1,163	5.2
302	280	Perkin-Elmer	1,153	−9.4
303	291	Greyhound	1,150	−5.9
304	269	Chesebrough-Pond's	1,149	−13.0
305	273	Ryder System	1,146	−12.4
306	316	Textron	1,145	1.7
307	237	Freeport-McMoRan	1,133	−23.4
308	313	Square D	1,132	−1.0
309	345	Washington Post	1,123	8.1
310	245	Tektronix	1,120	−21.6
311	215	AMAX	1,115	−29.4
312	307	Boise Cascade	1,109	−5.2
313	319	North Amer Philips	1,107	−0.6
314	416	Transworld	1,104	NC
315	418	Chubb	1,103	29.5
316	494	NCNB	1,099	55.3
317	329	Celanese	1,097	1.4
318	348	Student Loan Mktg	1,092	6.2
319	210	Harris Corp	1,091	−31.8
320	301	Geico	1,088	−8.2
321	219	Newmont Mining	1,088	−29.3
322	378	Capital Holding	1,087	13.2
323	340	Jack Eckerd	1,082	4.0
324	296	St Paul Cos	1,075	−11.4
325	354	So New England Tel	1,073	6.3
326	437	Torchmark	1,070	31.8
327	288	Computervision	1,066	−13.2
328	328	Westvaco	1,066	−2.8
329	317	US Tobacco	1,066	−5.1
330	338	Combustion Eng	1,065	1.3
331	324	Homestake Mining	1,061	−4.2
332	308	Mead	1,057	−9.3
333	383	Wisconsin Elec Power	1,053	11.0
334	422	Florida Progress	1,047	24.0
335	264	Natl Semiconductor	1,046	−23.8

NC: not comparable.

The Forbes Market Value 500

Rank 1984	Rank 1983	Company	Market value ($mil)	% change over 1983
336	387	Rite Aid	1,045	11.5
337	377	Centel	1,040	7.2
338	361	Allied Stores	1,038	3.7
339	286	Nalco Chemical	1,036	−16.1
340	353	Ethyl	1,032	1.8
341	355	Pioneer	1,030	2.1
342	362	Intl Flavors & Frag	1,028	3.0
343	379	Pioneer Hi-Bred Intl	1,022	6.7
344	385	Williams Cos	1,021	8.1
345	458	Gt Western Financial	1,015	30.4
346	226	Fedl Natl Mortgage	1,012	−33.2
347	398	PNC Financial	1,009	13.5
348	279	Colt Industries	1,007	−20.8
349	310	Intl Minerals & Chem	1,003	−13.4
350	337	First Chicago	1,002	−5.3
351	384	Wells Fargo	1,001	5.7
352	390	Public Service Colo	1,000	9.9
353	407	Tele-Communications	987	12.6
354	432	American Greetings	985	18.5
355	366	USG	982	−0.9
356	450	Duquesne Light	980	24.2
357	402	Tucson Electric Power	977	11.0
358	368	Northwest Industries	975	−1.2
359	409	Albertson's	957	7.4
360	■	Scana	952	38.5
361	332	Murphy Oil	948	−12.2
362	485	Price Co	947	30.5
363	335	Owens-Corning Fbrgls	946	−11.7
364	420	Oklahoma Gas & Elec	944	11.2
365	381	New England Electric	942	−1.6
366	195	Levi Strauss	932	−46.6
367	446	Banc One	929	15.8
368	364	Crown Zellerbach	924	−7.0
369	260	Gould	922	−31.8
370	498	Wachovia	917	31.6
371	419	Wendy's International	914	7.3
372	■	ConAgra	910	20.3
373	380	Lucky Stores	909	−5.1
374	451	Temple-Inland	908	15.1
375	342	Ingersoll-Rand	903	−13.1
376	440	Lowe's Cos	897	10.6
377	359	Gt Northern Nekoosa	889	−11.3
378	376	NWA	886	−8.8
379	320	Revco DS	883	−20.7
380	417	Allied Bancshares	881	3.4
381	411	Public Service NM	881	2.3
382	459	Zayre	880	13.3
383	■	American Natl Ins	876	40.7
384	■	Digital Switch	876	27.4
385	■	MCorp	870	29.9
386	426	Prime Computer	864	3.0
387	343	Polaroid	859	−17.2
388	427	Louisiana Land	859	2.5
389	444	Cabot	855	6.4
390	391	Parker-Hannifin	854	−6.3
391	371	EG&G	848	−13.6
392	369	Interco	842	−13.6
393	321	Arkla	842	−24.3
394	413	Lubrizol	836	−2.5
395	389	James River Corp Va	835	−10.8
396	415	M/A-Com	834	−2.7
397	441	Mercantile Stores	833	2.7
398	471	Southwestern Pub Svc	833	8.9
399	465	Becton, Dickinson	832	10.5
400	400	WW Grainger	828	−6.6
401	357	LTV	827	−18.7
402	367	VF	823	−16.8
403	397	Sundstrand	823	−7.7
404	304	Varian Associates	821	−30.3
405	374	No Indiana Pub Svc	817	−16.3
406	270	Bethlehem Steel	815	−38.2
407	■	Beverly Enterprises	814	32.7
408	454	Emhart	813	3.8
409	392	Big Three Industries	812	−10.4
410	339	Paccar	809	−22.7
411	497	Mapco	804	14.6
412	■	Armstrong World Inds	803	17.4
413	455	Vulcan Materials	803	2.5
414	■	TECO Energy	802	22.6
415	467	Lear Siegler	802	6.3
416	■	Community Psych Ctrs	800	16.7
417	254	Tandem Computers	798	−43.1
418	■	Nicor	794	14.7
419	488	Marion Laboratories	793	10.8
420	393	Associated Dry Goods	787	−12.3
420	403	National Distillers	787	−10.4
422	■	Barnett Banks Fla	780	27.5
423	■	Consolidated Papers	778	38.9
424	■	Grumman	776	13.7
425	477	Trust Co of Georgia	771	3.9
426	438	Cray Research	770	−5.1
427	■	Food Lion	769	42.9
428	463	Bank of Boston	767	0.1
429	484	USAir Group	766	5.6
430	■	Bausch & Lomb	763	26.4
431	■	Storer Communication	762	24.4
432	327	Stauffer Chemical	761	−31.1
433	474	Weis Markets	761	2.1
434	406	EF Hutton Group	759	−13.6
435	500	Clorox	758	9.1
436	330	Long Island Lighting	758	−29.9
437	423	RepublicBank	756	−10.4
438	■	Utd Energy Resources	755	9.0
439	311	Hughes Tool	754	−34.9
440	346	Engelhard	753	−27.2
441	■	Rubbermaid	753	24.1
442	425	Louisiana-Pacific	752	−5.0
443	315	Mitchell Energy & Dev	748	−33.6
444	470	Beneficial Corp	738	−1.1
445	412	HF Ahmanson	736	−14.3
446	431	GenCorp	735	−11.2
447	436	Consol Freightways	735	−10.0
448	469	Cummins Engine	733	−3.0
449	333	Firestone	733	−32.0
450	■	Portland Genl Elec	732	27.3
451	462	Sysco	727	−6.7
452	■	Brunswick	726	19.0
453	■	American Petrofina	725	21.4
454	358	Burlington Inds	724	−28.3
455	■	General Public Utils	723	52.3
456	429	Reynolds Metals	722	−13.7
457	442	First Bank System	720	−11.0
458	■	Provident Life & Acc	719	17.6
459	356	Telerate	719	−29.3
460	435	Brown-Forman	713	−12.9
461	388	E-Systems	712	−22.9
462	482	Norton	710	−2.3
463	■	Illinois Tool Works	708	3.9
464	■	Snap-On Tools	708	13.4
465	■	Subaru of America	701	36.6
466	464	Stanley Works	696	−8.9
467	■	First Union	694	37.6
468	■	Apollo Computer	690	5.4
469	382	Sanders Associates	688	−27.8
470	323	Interfirst	687	−38.1
471	478	Olin	687	−6.9
472	375	NL Industries	681	−30.0
473	■	First Boston	681	45.0
474	■	Republic New York	679	38.8
475	■	Fleming Cos	677	31.7
476	■	Shoney's	677	42.7
477	452	Ashland Oil	674	−14.6
478	■	Cullinet Software	672	11.3
479	■	McKesson	671	−5.4
480	■	CoreStates Financial	671	40.5
481	■	Delmarva Power & Lt	671	16.7
482	■	Sun Banks	670	17.3
483	■	Jim Walter	670	11.1
484	386	Norwest	668	−29.0
485	■	Alexander & Baldwin	663	41.7
486	■	National Svc Inds	662	4.0
487	■	Sovran Financial	661	27.7
488	■	Tambrands	660	2.4
489	■	Petrie Stores	659	12.1
490	443	Shared Medical Systems	659	−18.3
491	■	General Cinema	658	30.2
492	251	Armco	654	−52.7
493	447	Southwest Airlines	650	−18.9
494	■	Richardson-Vicks	648	0.2
495	■	Toledo Edison	647	21.1
496	■	Alco Standard	646	−13.7
497	■	Puget Sound Power & Lt	643	2.4
498	■	Brush Wellman	643	24.7
499	414	Kaiser Alum & Chem	640	−25.3
500	■	Idaho Power	636	16.6

■ Not on 500 list in 1983.



The Forbes 500s–Jobs And Productivity

Big companies expanded their sales last year and shrank their payrolls. Is that good or bad? Depends on whether you're a politician or an economist.

The productivity puzzle

CREATING JOBS—what politician has not used that as a measure of a corporation's worth? An economist, however, might find something to praise in eliminating jobs, not in creating them. Why? Because if the same physical output is generated with fewer workers, then productivity is higher. Productivity growth is the engine of future higher living standards for everyone.

If the politicians' argument is the sole standard, the FORBES 500s companies must be found wanting. They cut their employee rosters by 840,000 last year, even as they expanded sales. But by the economist's argument, these idled workers will find new jobs elsewhere—even if the big companies are not, on balance, hiring one another's excess workers.

That these idled workers are indeed finding new jobs is shown in the overall economic statistics of prosperous 1984. Despite the misfortune of laid-off workers, total civilian employment grew by 4%, to 105 million, even while FORBES 500s' employment was declining by 4%, to about 21 million.

Some indications of productivity can be seen in this table, in sales per employee and assets per employee. Sales per employee for the group was $133,000 last year, a gain of about 10% from 1983. Overall assets per employee came to $231,000, a gain of about 11%.

To be sure, these are crude measures, since inflation played a part and the asset figures are top-weighted by banks. But a good deal of it was solid productivity. Those gains of 10% and 11% were better than twice the inflation rate, as measured by the Consumer Price Index, which averaged 4.2% higher in 1984 than in 1983. And they mirror the productivity story that can be read in the Labor Department's statistics, which show a 3.6% productivity gain for 1984.

		Employees	Per employee ($000)		
Rank	Company	(000)	Sales (rank)	Profits (rank)	Assets (rank)
1	General Motors	748.0	112.2 (506)	6.0 (464)	69.5 (601)
2	Sears, Roebuck	454.0	85.5 (641)	2.9 (621)	125.7 (449)
3	Ford Motor	383.7	136.5 (401)	7.6 (409)	71.5 (588)
4	IBM	382.2	120.2 (468)	17.2 (148)	112.0 (472)
5	American Tel & Tel	365.0	90.9 (616)	3.8 (576)	109.1 (477)
6	General Electric	330.0	84.7 (645)	6.9 (426)	74.9 (573)
7	K mart	270.0	78.1 (678)	1.8 (681)	34.3 (740)
8	ITT	252.5	76.4 (688)	1.4 (700)	124.1 (454)
9	United Technologies	199.6	81.8 (654)	3.2 (607)	49.6 (687)
10	GTE	184.9	78.7 (673)	5.8 (473)	142.6 (428)
11	Mobil	178.5	314.0 (113)	7.1 (423)	234.5 (370)
12	JC Penney	177.5	75.8 (694)	2.5 (642)	46.0 (702)
13	Safeway Stores	165.3	118.8 (476)	1.1 (712)	27.4 (764)
14	Kroger	160.5	99.2 (564)	1.0 (715)	23.0 (773)
15	EI Du Pont	158.5	227.1 (201)	9.0 (357)	152.0 (416)
16	PepsiCo	152.0	50.6 (763)	1.4 (700)	32.6 (747)
17	Exxon	150.0	605.7 (30)	36.9 (48)	421.9 (320)
18	McDonald's	139.0	24.2 (782)	2.8 (625)	30.4 (754)
19	Goodyear	133.3	76.8 (686)	3.1 (615)	46.5 (700)
20	Westinghouse Electric	126.8	80.9 (659)	4.2 (549)	72.1 (584)
21	Eastman Kodak	124.7	85.0 (642)	7.4 (415)	86.4 (538)
22	Federated Dept Stores	123.7	78.2 (676)	2.7 (628)	42.6 (713)
23	Beatrice	120.0	95.2 (588)	3.5 (594)	84.1 (543)
24	Allied Corp	116.1	92.4 (606)	4.2 (549)	70.5 (595)
25	FW Woolworth	115.9	49.5 (764)	1.2 (709)	19.9 (778)
26	Dayton-Hudson	115.0	69.6 (716)	2.3 (657)	33.0 (745)
27	Marriott	114.8	30.7 (779)	1.2 (709)	25.3 (767)
28	RCA	108.0	93.6 (595)	2.5 (642)	76.1 (562)
29	Nynex	105.9	89.8 (621)	9.3 (345)	187.4 (392)
30	Rockwell Intl	104.2	92.7 (603)	5.2 (499)	55.6 (657)
31	Xerox	102.3	113.5 (497)	2.4 (654)	150.6 (418)
32	Chrysler	100.4	194.9 (241)	14.9 (172)	90.2 (523)
33	Union Carbide	98.9	96.1 (582)	3.4 (597)	106.3 (483)
34	Tenneco	97.5	152.7 (327)	6.5 (441)	186.7 (393)
35	BellSouth	97.3	97.9 (575)	12.9 (225)	243.4 (366)
36	RJ Reynolds Inds	96.2	103.1 (546)	12.3 (246)	96.4 (511)
37	General Dynamics	95.8	81.8 (654)	4.0 (563)	31.7 (749)
38	Motorola	94.4	58.7 (753)	4.1 (556)	44.5 (705)
39	Honeywell	93.9	64.7 (735)	2.5 (642)	50.7 (680)
40	Sara Lee	92.1	82.2 (653)	2.2 (665)	33.1 (744)
41	TRW	90.9	66.6 (729)	2.9 (621)	38.3 (725)
42	Bell Atlantic	90.0	89.8 (621)	10.8 (283)	207.5 (383)

The Forbes 500s–Jobs And Productivity

		Employees	Per employee ($000)		
Rank	Company	(000)	Sales (rank)	Profits (rank)	Assets (rank)
43	BankAmerica	89.2	161.4 (306)	3.9 (569)	1319.4 (138)
44	United States Steel	88.8	205.9 (226)	4.7 (522)	214.0 (380)
45	American Stores	87.7	138.2 (392)	2.1 (670)	43.4 (711)
46	Pacific Telesis Group	87.3	89.7 (624)	9.5 (336)	207.1 (384)
47	Boeing	86.6	119.6 (471)	9.1 (354)	98.0 (505)
48	Minn Mining & Mfg	86.2	89.4 (627)	8.5 (375)	70.7 (592)
49	Texas Instruments	83.6	68.7 (721)	3.8 (576)	40.9 (720)
50	Borg-Warner	82.9	47.2 (772)	2.5 (642)	33.6 (742)
51	McDonnell Douglas	81.4	118.7 (477)	4.0 (563)	76.0 (566)
52	Household Intl	81.1	102.7 (549)	2.9 (621)	123.9 (455)
53	General Mills	80.7	70.0 (715)	2.3 (657)	40.7 (721)
54	Digital Equipment	79.3	78.6 (674)	6.1 (459)	78.2 (555)
55	WR Grace	79.3	84.9 (644)	2.5 (642)	67.2 (608)
56	Beverly Enterprises	78.0	18.2 (785)	0.6 (728)	21.8 (776)
57	Amer Info Technol	77.8	107.3 (525)	12.7 (226)	226.8 (373)
58	Hewlett-Packard	77.0	81.8 (654)	7.3 (418)	66.6 (611)
59	Lockheed	76.6	106.0 (534)	4.5 (534)	41.4 (717)
60	Johnson & Johnson	75.8	80.8 (661)	6.8 (432)	59.9 (643)
61	Sperry	75.5	71.2 (705)	3.5 (594)	76.1 (562)
62	American Brands	75.0	71.1 (707)	5.4 (489)	103.2 (489)
63	Raytheon	74.7	80.3 (663)	3.3 (602)	48.2 (692)
64	American Express	73.5	175.6 (278)	8.3 (383)	842.0 (226)
65	May Dept Stores	72.6	65.6 (733)	2.9 (621)	42.0 (715)
66	Dart & Kraft	72.3	135.0 (407)	6.3 (447)	73.1 (579)
67	Southwestern Bell	71.9	100.0 (563)	12.3 (246)	250.9 (363)
68	Transworld	71.7	27.9 (780)	1.6 (692)	16.1 (781)
69	Wal-Mart Stores	71.5	91.2 (612)	3.8 (576)	31.2 (750)
70	Hospital Corp of Am	71.0	49.3 (765)	4.2 (549)	68.0 (604)
71	US West	70.8	102.9 (547)	12.5 (236)	240.5 (367)
72	Melville	70.7	62.6 (743)	2.7 (628)	22.8 (775)
73	Halliburton	70.4	77.4 (682)	4.7 (522)	76.1 (562)
74	Gulf & Western Inds	69.0	81.1 (658)	3.1 (615)	149.3 (419)
75	Nabisco Brands	69.0	90.7 (619)	4.5 (534)	54.5 (662)
76	Philip Morris	68.0	149.1 (340)	13.1 (216)	137.3 (437)
77	Pillsbury	67.8	66.9 (728)	2.8 (625)	40.3 (722)
78	Winn-Dixie Stores	67.8	111.2 (511)	1.6 (692)	17.4 (780)
79	Citicorp	67.4	304.3 (123)	13.2 (214)	2235.9 (55)
79	Litton Industries	67.4	69.1 (720)	4.3 (546)	66.5 (613)
81	Lucky Stores	66.0	139.9 (383)	1.4 (700)	28.3 (760)
82	Santa Fe Southern	65.1	102.3 (552)	7.5 (412)	178.9 (396)
83	Burroughs	64.4	74.7 (700)	3.8 (576)	69.9 (597)
84	UAL	63.0	110.6 (517)	4.1 (556)	81.9 (547)
85	Allied Stores	62.0	64.0 (738)	2.3 (657)	43.2 (712)
85	NCR	62.0	65.7 (732)	5.5 (487)	57.9 (650)
87	Procter & Gamble	61.7	217.1 (214)	12.4 (239)	162.9 (406)
88	Texaco	61.4	771.1 (19)	5.0 (509)	614.9 (267)
89	Southland	61.3	190.2 (253)	2.6 (635)	54.5 (662)
90	Caterpillar Tractor	61.2	107.5 (523)	−7.0 (763)	101.7 (496)
91	CSX	60.3	131.7 (420)	7.7 (408)	193.1 (388)
92	Firestone	60.1	66.0 (731)	1.5 (695)	43.7 (710)
93	Associated Dry Goods	59.0	69.6 (716)	2.0 (675)	35.3 (734)
94	Emerson Electric	57.8	74.8 (698)	6.2 (452)	51.7 (672)
95	General Foods	57.5	155.0 (320)	5.9 (465)	76.5 (560)

		Employees	Per employee ($000)		
Rank	Company	(000)	Sales (rank)	Profits (rank)	Assets (rank)
96	North Amer Philips	57.0	76.0 (692)	2.3 (657)	44.2 (706)
97	Standard Oil Indiana	55.2	488.6 (45)	39.6 (40)	466.6 (311)
98	Control Data	55.0	91.4 (609)	0.6 (728)	174.4 (402)
99	Carter Hawley Hale	54.0	71.0 (708)	1.7 (686)	36.3 (731)
99	Signal Cos	54.0	111.2 (511)	5.3 (494)	102.1 (495)
101	Dun & Bradstreet	53.7	44.6 (774)	9.7 (330)	42.6 (713)
102	Natl Medical Entrprs	53.0	42.3 (776)	2.5 (642)	48.2 (692)
103	Burlington Inds	53.0	57.5 (756)	0.7 (726)	41.8 (716)
104	Ralston Purina	52.8	99.2 (564)	4.6 (528)	51.2 (675)
105	Singer	52.5	48.0 (767)	1.0 (715)	28.0 (763)
106	Dow Chemical	52.2	218.9 (212)	10.5 (295)	219.0 (377)
107	Interco	51.5	51.8 (760)	1.7 (686)	30.8 (752)
107	RH Macy	51.5	83.4 (650)	4.2 (549)	45.0 (704)
109	Bethlehem Steel	51.4	104.9 (537)	−2.6 (752)	85.4 (540)
110	Monsanto	49.8	134.4 (410)	8.8 (367)	128.0 (447)
111	Champion Intl	49.2	104.1 (544)	−0.1 (741)	138.5 (435)
112	Holiday Inns	49.0	35.9 (778)	2.7 (628)	47.9 (694)
113	Burlington Northern	48.1	190.5 (252)	12.6 (233)	237.6 (369)
114	LTV	48.0	146.9 (349)	−7.9 (765)	144.4 (425)
115	American Home Prod	47.4	94.7 (590)	14.4 (185)	64.0 (624)
116	IC Industries	47.3	89.3 (628)	2.6 (635)	102.4 (494)
117	Teledyne	47.0	103.5 (545)	5.7 (476)	121.7 (458)
118	Aetna Life & Cas	46.8	329.6 (103)	1.2 (709)	1091.5 (185)
119	Great Atl & Pac Tea	46.5	126.4 (445)	1.1 (712)	28.9 (757)
120	Union Pacific	46.4	167.9 (297)	10.6 (292)	224.0 (374)
121	Armco	46.2	98.3 (572)	−6.5 (762)	79.7 (553)
122	Ogden	45.5	47.0 (773)	0.9 (719)	24.4 (771)
123	Owens-Illinois	45.0	78.8 (672)	3.0 (619)	70.8 (590)
124	Cigna	44.9	329.4 (104)	0.6 (728)	870.2 (224)
125	AMR	44.6	120.0 (470)	5.2 (499)	118.0 (463)
126	Deere	44.4	96.4 (581)	1.7 (686)	125.2 (452)
127	Standard Oil Ohio	44.1	265.2 (155)	33.7 (61)	396.6 (330)
128	HJ Heinz	44.0	92.9 (601)	5.9 (465)	58.0 (648)
129	Campbell Soup	43.2	88.8 (630)	4.5 (534)	56.5 (654)
130	Merrill Lynch	43.2	137.0 (398)	2.2 (665)	714.7 (240)
131	Martin Marietta	43.0	91.2 (612)	−4.5 (756)	51.7 (672)
131	Zayre	43.0	74.3 (702)	1.9 (677)	25.8 (766)
133	American Standard	43.0	74.8 (698)	2.3 (657)	53.0 (668)
134	Colgate-Palmolive	42.8	114.7 (490)	1.7 (686)	60.0 (642)
135	United Brands	42.5	76.4 (688)	0.3 (735)	24.7 (769)
136	Humana	42.3	47.5 (769)	4.7 (522)	62.6 (634)
137	Textron	42.0	76.7 (687)	2.7 (628)	52.6 (669)
137	Amer Medical Intl	42.0	49.2 (766)	3.4 (597)	66.9 (609)
139	Warner-Lambert	41.5	76.3 (690)	5.4 (489)	69.9 (597)
139	Wendy's International	41.5	22.6 (783)	1.7 (686)	14.8 (783)
141	Dresser Industries	41.5	92.7 (603)	1.9 (677)	77.5 (557)
142	Alcoa	41.1	139.9 (383)	6.2 (452)	154.3 (414)
143	Occidental Petroleum	41.0	380.2 (76)	13.9 (198)	299.3 (357)
144	Eaton	40.8	86.0 (638)	6.2 (452)	64.0 (624)
145	Levi Strauss	40.5	62.1 (745)	1.0 (715)	35.1 (736)
146	Chase Manhattan	40.4	244.5 (181)	10.0 (318)	2149.8 (59)
147	Coca-Cola	40.3	183.0 (262)	15.6 (167)	148.0 (421)
148	Supermarkets General	40.0	108.7 (522)	1.3 (706)	24.6 (770)

The Forbes 500s–Jobs And Productivity

		Employees	Per employee ($000)		
Rank	Company	(000)	Sales (rank)	Profits (rank)	Assets (rank)
149	Atlantic Richfield	39.9	595.7 (32)	14.2 (188)	554.6 (285)
150	Pfizer	39.9	96.7 (580)	12.7 (226)	101.6 (497)
151	Georgia-Pacific	39.5	169.2 (293)	3.0 (619)	121.1 (459)
152	Northrop	39.4	93.7 (594)	4.2 (549)	49.7 (686)
153	Chevron	38.9	714.9 (22)	39.4 (41)	934.0 (214)
154	Weyerhaeuser	38.9	142.6 (368)	5.8 (473)	153.1 (415)
155	Anheuser-Busch Cos	38.9	167.2 (299)	10.1 (313)	116.3 (465)
156	Avon Products	38.9	80.9 (659)	4.7 (522)	62.7 (633)
157	Natl Semiconductor	38.7	47.3 (771)	1.5 (695)	37.7 (726)
158	CPC International	38.5	113.6 (496)	5.0 (509)	69.7 (600)
159	American Cyanamid	38.4	100.4 (559)	5.6 (483)	86.6 (536)
160	Norfolk Southern	38.0	92.8 (602)	12.7 (226)	228.1 (372)
161	Eastern Air Lines	37.8	115.6 (484)	−1.0 (747)	99.9 (502)
162	PPG Industries	37.7	112.5 (504)	8.0 (398)	100.7 (501)
163	Delta Air Lines	37.5	119.0 (475)	6.9 (426)	89.4 (527)
164	Sun Company	37.4	387.0 (73)	14.4 (185)	342.1 (347)
165	Castle & Cooke	37.0	43.1 (775)	−3.8 (755)	28.3 (760)
165	IU International	37.0	68.0 (725)	0.2 (737)	36.4 (730)
167	Bristol-Myers	36.4	115.3 (487)	13.0 (221)	89.4 (527)
168	Combustion Eng	36.0	85.0 (642)	2.8 (625)	69.8 (599)
169	Allegheny Intl	35.8	59.2 (752)	0.4 (732)	47.4 (696)
170	Dana	35.6	100.4 (559)	5.4 (489)	63.4 (629)
171	Stop & Shop Cos	35.5	91.5 (608)	1.5 (695)	26.3 (765)
172	Greyhound	35.4	77.4 (682)	3.4 (597)	156.2 (413)
173	Shell Oil	34.9	592.4 (34)	50.7 (24)	679.1 (247)
174	Penn Central	34.6	74.3 (702)	4.9 (517)	79.9 (551)
175	Kimberly-Clark	34.6	104.6 (538)	6.3 (447)	91.8 (519)
176	Jack Eckerd	34.2	82.8 (652)	2.7 (628)	35.2 (735)
177	Albertson's	34.0	139.3 (388)	2.3 (657)	30.4 (754)
178	Abbott Laboratories	34.0	91.3 (610)	11.8 (255)	93.3 (517)
179	Merck	33.7	105.6 (536)	14.6 (179)	136.2 (438)
180	First Interstate Bancp	33.5	148.3 (343)	8.3 (383)	1360.5 (120)
181	Fluor	33.1	127.1 (442)	−1.4 (748)	113.2 (470)
182	Walgreen	33.1	86.0 (638)	2.7 (628)	28.3 (760)
183	Tandy	33.0	83.2 (651)	7.1 (423)	56.8 (652)
184	International Paper	33.0	143.1 (367)	3.6 (586)	175.9 (397)
185	Ingersoll-Rand	32.7	75.9 (693)	1.8 (681)	67.5 (607)
186	Baxter Travenol Labs	32.5	55.3 (758)	0.9 (719)	61.5 (638)
187	Amer Hospital Supply	32.5	106.3 (529)	7.3 (418)	75.9 (569)
188	Borden	32.2	141.9 (371)	5.9 (465)	89.6 (526)
189	Kidde	32.0	72.3 (704)	2.5 (642)	52.4 (670)
190	Intl Harvester	31.8	111.7 (509)	−31.0 (777)	80.1 (550)
191	Hilton Hotels	31.5	20.5 (784)	3.6 (586)	36.9 (729)
192	Ashland Oil	31.5	262.9 (161)	−5.5 (759)	125.5 (451)
193	Southern Company	31.0	197.6 (237)	23.2 (105)	540.8 (294)
194	SmithKline Beckman	30.9	95.5 (587)	16.2 (159)	103.4 (488)
195	CBS	30.5	158.4 (314)	6.4 (444)	106.9 (480)
196	Gillette	30.4	75.3 (695)	5.2 (499)	66.6 (611)
197	Manufacturers Hanover	30.3	274.5 (146)	11.6 (262)	2499.4 (48)
198	Revlon	30.2	79.4 (669)	3.7 (583)	76.5 (560)
199	Cooper Industries	30.1	67.4 (727)	3.6 (586)	64.9 (619)
200	Grumman	29.9	87.2 (636)	3.6 (586)	48.4 (691)
201	Northwest Industries	29.8	47.4 (770)	2.6 (635)	51.2 (675)

		Employees	Per employee ($000)		
Rank	Company	(000)	Sales (rank)	Profits (rank)	Assets (rank)
202	Transamerica	29.7	181.8 (267)	5.7 (476)	421.0 (321)
203	Travelers	29.6	455.7 (56)	8.8 (367)	1232.1 (152)
204	Zenith Electronics	29.5	58.2 (754)	2.2 (665)	30.8 (752)
205	Emhart	29.2	61.4 (746)	3.1 (615)	36.3 (731)
206	Times Mirror	29.1	95.2 (588)	8.0 (398)	87.7 (533)
207	Harris Corp	29.1	75.2 (696)	3.1 (615)	64.6 (622)
208	BF Goodrich	29.1	118.1 (478)	2.1 (670)	90.1 (525)
209	Walt Disney	29.0	61.4 (746)	1.5 (695)	97.4 (508)
210	Eli Lilly	29.0	107.4 (524)	16.9 (150)	125.9 (448)
211	Phillips Petroleum	28.9	538.5 (37)	28.1 (86)	588.0 (281)
212	Reynolds Metals	28.8	129.5 (429)	4.5 (534)	131.3 (442)
213	Security Pacific	28.6	179.4 (275)	10.2 (310)	1611.8 (85)
214	VF	28.3	41.3 (777)	4.4 (539)	28.5 (759)
215	Boise Cascade	28.2	135.6 (406)	2.5 (642)	121.1 (459)
216	United States Shoe	28.0	61.3 (748)	1.9 (677)	28.8 (758)
217	GenCorp	28.0	97.6 (577)	0.3 (735)	72.9 (581)
218	United Telecom	27.9	102.2 (553)	8.4 (380)	194.7 (386)
219	Pacific Gas & Elec	27.8	281.3 (140)	35.0 (56)	622.6 (263)
220	Brown Group	27.8	55.4 (757)	1.3 (706)	23.7 (772)
221	Wang Laboratories	27.7	87.4 (635)	8.3 (383)	91.7 (520)
222	Gannett	27.7	70.9 (709)	8.1 (394)	65.5 (616)
223	Trans World Airlines	27.3	133.8 (411)	1.1 (712)	105.4 (484)
224	Corning Glass Works	27.3	63.6 (740)	3.3 (602)	68.1 (603)
225	Pitney Bowes	27.2	63.6 (740)	5.1 (505)	59.3 (644)
226	Pan Am Corp	27.1	136.2 (403)	−7.6 (764)	97.8 (507)
227	Inland Steel	26.9	123.5 (459)	−1.7 (749)	96.9 (509)
228	FMC	26.9	124.3 (454)	1.4 (700)	89.3 (529)
229	Quaker Oats	26.8	130.5 (425)	5.0 (509)	63.4 (629)
230	Fruehauf	26.8	104.2 (543)	3.2 (607)	63.6 (627)
231	American Can	26.2	160.8 (308)	4.4 (539)	162.3 (408)
232	Lear Siegler	25.4	91.3 (610)	3.6 (586)	58.3 (647)
233	Wickes Cos	25.4	119.3 (472)	0.7 (726)	51.7 (672)
234	Hercules	25.2	101.9 (556)	7.8 (404)	94.6 (514)
235	American Motors	25.2	167.5 (298)	0.4 (732)	72.7 (582)
236	Schering-Plough	24.2	77.6 (681)	7.3 (418)	104.2 (487)
237	American Intl Group	23.9	179.5 (274)	12.7 (226)	487.4 (304)
238	General Signal	23.8	75.0 (697)	4.6 (528)	60.4 (641)
239	Chesebrough-Pond's	23.8	78.2 (676)	5.0 (509)	60.9 (639)
240	Owens-Corning Fbrgls	23.7	127.3 (441)	4.8 (519)	73.0 (580)
241	American Elec Power	23.7	208.9 (221)	20.6 (124)	571.8 (282)
242	Squibb	23.5	80.2 (664)	8.4 (380)	90.7 (522)
243	Intel	23.5	69.5 (718)	8.5 (375)	86.5 (537)
244	Revco DS	23.2	100.5 (558)	0.4 (732)	38.7 (724)
245	Loews	23.0	226.7 (202)	11.9 (252)	545.4 (291)
246	Sterling Drug	23.0	79.6 (667)	6.2 (452)	63.6 (627)
247	Super Valu Stores	22.9	279.7 (141)	4.6 (528)	54.2 (664)
248	Amfac	22.9	104.5 (539)	−0.6 (746)	56.3 (655)
248	AMP	22.9	79.2 (671)	8.8 (367)	65.0 (618)
250	SCM	22.7	92.6 (605)	1.6 (692)	56.7 (653)
251	Celanese	22.4	148.6 (342)	7.2 (421)	138.6 (434)
252	Ryder System	22.4	111.2 (511)	6.1 (459)	125.6 (450)
253	Whirlpool	22.3	140.6 (380)	8.5 (375)	70.1 (596)
254	Colt Industries	22.3	84.0 (648)	5.9 (465)	46.0 (702)

The Forbes 500s–Jobs And Productivity

Rank	Company	Employees	Per employee ($000)		
		(000)	Sales (rank)	Profits (rank)	Assets (rank)
255	Upjohn	22.1	98.8 (566)	7.8 (404)	101.6 (497)
256	Square D	21.9	62.4 (744)	4.8 (519)	46.6 (698)
257	Knight-Ridder News	21.9	76.1 (691)	6.4 (444)	61.6 (637)
258	Consolidated Edison	21.8	262.5 (163)	28.4 (85)	398.1 (328)
259	West Point-Pepperell	21.8	60.1 (751)	2.1 (670)	34.8 (737)
260	Continental Telecom	21.8	106.6 (528)	9.0 (357)	209.5 (382)
261	ConAgra	21.7	219.9 (207)	3.3 (602)	81.5 (548)
262	EG&G	21.0	51.2 (762)	2.6 (635)	18.5 (779)
263	Johnson Controls	21.0	70.2 (713)	3.2 (607)	48.5 (690)
264	Tektronix	20.9	68.0 (725)	6.3 (447)	55.4 (659)
265	Scott Paper	20.8	137.2 (397)	9.0 (357)	160.1 (410)
266	Duke Power	20.6	131.3 (423)	22.3 (112)	388.4 (332)
267	Parker-Hannifin	20.6	68.2 (724)	4.2 (549)	43.8 (709)
268	Unocal	20.5	529.1 (39)	34.2 (59)	498.1 (302)
269	Manville	20.4	89.0 (629)	3.8 (576)	114.8 (468)
270	Baker International	20.3	90.9 (616)	3.7 (583)	102.9 (491)
271	Uniroyal	20.3	104.5 (539)	2.7 (628)	71.6 (587)
272	USG	20.2	114.8 (488)	9.2 (350)	79.9 (551)
273	Morrison-Knudsen	20.2	100.3 (561)	2.2 (665)	41.2 (719)
274	Gould	20.1	69.5 (718)	0.9 (719)	72.2 (583)
275	McGraw-Edison	20.0	86.0 (638)	0.5 (731)	70.8 (590)
275	SCOA Industries	20.0	71.2 (705)	2.1 (670)	25.3 (767)
277	Armstrong World Inds	20.0	78.5 (675)	4.6 (528)	47.6 (695)
278	Cummins Engine	19.8	117.3 (481)	9.5 (336)	76.0 (566)
279	Chemical New York	19.8	295.9 (130)	17.2 (148)	2638.9 (41)
280	James River Corp Va	19.8	127.8 (438)	5.0 (509)	82.4 (546)
281	Roadway Services	19.6	74.6 (701)	5.1 (505)	46.6 (698)
282	Yellow Freight System	19.6	70.6 (711)	2.3 (657)	34.1 (741)
283	Mercantile Stores	19.5	87.5 (634)	4.3 (546)	51.1 (677)
284	Sherwin-Williams	19.4	107.0 (527)	3.4 (597)	51.8 (671)
285	Consol Freightways	19.4	88.1 (632)	3.9 (569)	54.8 (660)
286	Enserch	19.3	183.2 (261)	6.1 (459)	173.8 (403)
287	Libbey-Owens-Ford	19.3	90.9 (616)	3.7 (583)	55.5 (658)
288	Jim Walter	19.1	120.6 (467)	5.5 (487)	141.3 (430)
289	Brunswick	18.9	77.7 (680)	5.0 (509)	49.3 (688)
290	Crown Zellerbach	18.9	164.0 (303)	4.6 (528)	134.2 (440)
291	Norton	18.9	64.2 (737)	3.2 (607)	56.2 (656)
292	Black & Decker	18.8	89.5 (626)	5.2 (499)	82.5 (544)
292	Waste Management	18.8	70.1 (714)	7.6 (409)	104.8 (486)
294	Becton, Dickinson	18.4	61.1 (749)	3.6 (586)	60.8 (640)
294	Tribune	18.4	97.5 (578)	5.6 (483)	94.4 (515)
296	Federal Express	18.4	93.2 (599)	4.1 (556)	96.7 (510)
297	Commonwlth Edison	18.1	272.4 (152)	48.4 (27)	900.6 (221)
298	Continental Corp	18.0	257.5 (168)	5.7 (476)	546.6 (288)
299	Olin	18.0	114.7 (490)	4.9 (517)	101.2 (500)
299	Time Inc	18.0	170.4 (290)	12.0 (248)	145.3 (424)
299	Best Products	18.0	125.2 (452)	0.8 (724)	64.8 (620)
299	Shoney's	18.0	27.2 (781)	0.0 (738)	15.8 (782)
303	White Consolidated	17.8	107.2 (526)	−4.5 (756)	66.9 (609)
304	Kellogg	17.8	146.5 (352)	14.1 (192)	93.8 (516)
305	National Intergroup	17.7	320.0 (109)	2.6 (635)	543.2 (292)
306	MCA	17.7	93.6 (595)	5.4 (489)	110.1 (476)
306	Morton Thiokol	17.7	110.7 (516)	6.7 (437)	75.9 (569)
308	National Svc Inds	17.6	63.0 (742)	3.6 (586)	31.9 (748)
309	American Greetings	17.5	51.5 (761)	4.1 (556)	44.0 (707)
310	Union Camp	17.5	112.9 (502)	10.4 (299)	146.8 (422)
311	Air Prods & Chems	17.2	102.0 (554)	8.1 (394)	138.3 (436)
312	RR Donnelley & Sons	17.1	106.1 (533)	7.8 (404)	84.2 (542)
313	Mead	17.0	160.0 (310)	8.2 (388)	129.7 (444)
313	Leaseway Transport	17.0	79.3 (670)	1.8 (681)	64.0 (624)
315	Service Merchandise	17.0	97.7 (576)	2.6 (635)	51.1 (677)
316	Norwest	16.8	159.7 (311)	4.1 (556)	1270.6 (148)
317	Giant Food	16.8	124.1 (456)	2.5 (642)	31.1 (751)
318	Toys "R" Us	16.6	102.5 (550)	6.7 (437)	66.2 (614)
319	Southern Calif Edison	16.6	292.1 (137)	44.2 (34)	685.1 (244)
320	Marsh & McLennan	16.5	66.6 (729)	3.5 (594)	50.0 (684)
321	Auto Data Processing	16.5	58.1 (755)	4.8 (519)	49.0 (689)
321	Limited	16.5	81.4 (657)	5.6 (483)	34.4 (739)
323	EF Hutton Group	16.3	170.6 (289)	2.4 (654)	1111.4 (181)
324	Data General	16.3	77.1 (684)	5.7 (476)	68.4 (602)
325	Kaiser Alum & Chem	16.2	196.7 (240)	−3.3 (753)	217.6 (378)
326	Bally Manufacturing	16.2	80.7 (662)	−6.2 (761)	90.2 (523)
327	Anderson, Clayton	16.2	105.9 (535)	1.5 (695)	58.0 (648)
328	Texas Utilities	16.2	243.1 (183)	32.5 (65)	603.2 (274)
329	Browning-Ferris Inds	16.2	64.0 (738)	5.7 (476)	54.7 (661)
330	Wells Fargo	16.1	209.5 (219)	10.5 (295)	1750.6 (75)
331	Koppers	15.6	116.4 (482)	1.8 (681)	74.7 (575)
332	Bank of Boston	15.4	209.4 (220)	10.7 (287)	1433.7 (108)
333	Sundstrand	15.2	68.5 (722)	4.4 (539)	71.7 (586)
334	Evans Products	15.1	94.3 (592)	NA (738)	59.3 (644)
335	Alco Standard	15.1	232.4 (192)	4.4 (539)	77.3 (558)
336	Rite Aid	15.0	93.4 (597)	5.4 (489)	44.0 (707)
337	Westvaco	14.9	119.3 (472)	8.9 (362)	124.5 (453)
338	Perkin-Elmer	14.9	84.1 (647)	5.3 (494)	71.1 (589)
339	Kemper	14.9	154.7 (321)	1.3 (706)	475.6 (309)
340	Dover	14.8	86.8 (637)	6.8 (432)	61.8 (635)
341	Mellon Bank	14.8	207.4 (222)	10.7 (287)	2073.4 (61)
342	Hershey Foods	14.8	128.3 (436)	7.4 (415)	76.1 (562)
343	Varian Associates	14.8	65.2 (734)	4.1 (556)	50.4 (683)
344	American General	14.7	364.5 (85)	20.3 (125)	1305.1 (142)
345	NWA	14.7	166.5 (300)	5.9 (465)	119.4 (462)
346	Crocker National	14.5	184.6 (258)	−22.4 (775)	1539.5 (92)
347	Stanley Works	14.4	80.2 (664)	5.0 (509)	49.9 (685)
348	McGraw-Hill	14.3	98.3 (572)	10.1 (313)	82.5 (544)
349	Fort Howard Paper	14.3	93.9 (593)	9.3 (345)	88.7 (530)
350	Foster Wheeler	14.2	93.4 (597)	2.5 (642)	63.2 (631)
351	Western Union	14.1	80.2 (664)	−4.5 (756)	159.8 (411)
352	Pittston	14.1	89.6 (625)	−1.9 (750)	68.0 (604)
353	Thrifty Corp	14.0	94.4 (591)	2.0 (675)	37.7 (726)
354	Mack Trucks	13.9	151.2 (332)	4.6 (528)	84.4 (541)
355	Republic Airlines	13.8	112.0 (507)	1.0 (715)	78.5 (554)
356	Whittaker	13.8	98.8 (566)	2.5 (642)	58.6 (646)
357	Polaroid	13.6	93.2 (599)	1.9 (677)	98.7 (504)
358	Pub Svc Elec & Gas	13.5	310.9 (117)	36.3 (52)	715.9 (239)
359	Genuine Parts	13.4	171.6 (287)	8.9 (362)	70.6 (593)
360	Amer Broadcasting	13.4	277.4 (143)	14.6 (179)	174.9 (400)

NA: not available.

The Forbes 500s–Jobs And Productivity

		Employees	Per employee ($000)		
Rank	Company	(000)	Sales (rank)	Profits (rank)	Assets (rank)
360	Beneficial Corp	13.4	187.4 (256)	6.4 (444)	590.7 (279)
362	Middle South Utils	13.2	238.4 (188)	37.2 (46)	951.5 (211)
363	AMAX	13.1	182.6 (264)	−18.1 (772)	302.7 (355)
364	Advanced Micro Devcs	13.1	70.6 (711)	10.7 (287)	53.5 (667)
365	Diamond Shamrock	13.1	343.5 (94)	18.6 (141)	413.5 (324)
366	FPL Group	13.1	302.0 (124)	23.2 (105)	625.3 (261)
367	Fleming Cos	13.0	422.8 (64)	3.8 (576)	72.1 (584)
368	Gt Northern Nekoosa	13.0	144.1 (361)	9.2 (350)	151.1 (417)
369	Dominion Resources	13.0	200.6 (235)	22.6 (111)	623.7 (262)
370	General Public Utils	13.0	210.9 (217)	9.9 (324)	479.3 (306)
371	Dillard Dept Stores	13.0	98.5 (568)	3.8 (576)	57.7 (651)
372	JP Morgan	13.0	506.6 (40)	41.5 (35)	4951.1 (11)
373	Centel	12.9	106.2 (531)	9.5 (336)	191.5 (391)
374	So New England Tel	12.9	98.5 (568)	9.6 (333)	175.5 (399)
375	First Natl Supermkts	12.9	104.4 (541)	−0.5 (745)	22.9 (774)
376	National Gypsum	12.9	133.2 (415)	8.3 (383)	74.9 (573)
377	Lincoln National	12.9	338.1 (97)	12.4 (239)	980.7 (203)
378	NL Industries	12.8	106.2 (531)	−11.0 (770)	129.8 (443)
379	Hughes Tool	12.7	95.7 (584)	−10.5 (768)	143.1 (426)
380	Farmers Group	12.6	70.9 (709)	12.7 (226)	180.3 (395)
381	Crown Cork & Seal	12.6	109.0 (519)	4.7 (522)	64.2 (623)
382	First Chicago	12.5	361.1 (88)	6.9 (426)	3179.0 (31)
383	Louisiana-Pacific	12.5	98.4 (571)	3.4 (597)	105.2 (485)
384	Hammermill Paper	12.4	149.6 (335)	4.5 (534)	88.3 (531)
385	Consumers Power	12.3	263.2 (159)	18.0 (143)	749.3 (235)
386	USAir Group	12.2	133.5 (412)	10.0 (318)	132.7 (441)
387	Ethyl	12.0	180.6 (270)	10.3 (301)	216.6 (379)
387	General Cinema	12.0	77.8 (679)	9.6 (333)	76.0 (566)
389	E-Systems	12.0	68.5 (722)	5.1 (505)	34.7 (738)
390	Texas Air	11.9	114.8 (488)	2.3 (657)	110.8 (475)
391	National Distillers	11.9	163.3 (304)	4.3 (546)	159.4 (412)
392	Marine Midland Banks	11.8	219.7 (209)	7.6 (409)	1862.0 (69)
393	Pacific Lighting	11.8	406.7 (66)	11.8 (255)	360.9 (343)
394	Rohm & Haas	11.6	175.4 (280)	14.8 (174)	140.2 (432)
395	Columbia Gas System	11.6	395.5 (69)	13.2 (214)	447.7 (315)
396	Piedmont Aviation	11.6	110.9 (515)	5.0 (509)	102.8 (492)
397	Food Lion	11.4	128.6 (434)	3.3 (602)	29.0 (756)
398	Barnett Banks Fla	11.4	119.1 (474)	9.1 (354)	1096.5 (183)
399	National Can	11.4	168.2 (296)	3.6 (586)	77.8 (556)
400	Houston Industries	11.2	373.6 (82)	32.7 (64)	682.7 (246)
401	Cullum Companies	11.2	113.7 (493)	1.4 (700)	21.6 (777)
402	Detroit Edison	11.1	224.2 (205)	36.1 (53)	804.9 (231)
403	McKesson	11.1	426.7 (63)	5.8 (473)	139.6 (433)
404	Bankers Trust NY	11.0	438.2 (58)	27.8 (88)	4098.3 (19)
405	Am Natural Resources	11.0	316.8 (110)	17.8 (145)	362.9 (342)
406	Federal Co	11.0	121.2 (465)	3.9 (569)	33.2 (743)
406	Richardson-Vicks	11.0	113.1 (500)	7.0 (425)	87.9 (532)
408	Continental Illinois	10.9	375.2 (79)	−99.7 (783)	2789.2 (37)
409	General Host	10.8	52.3 (759)	8.5 (375)	50.6 (681)
410	Stauffer Chemical	10.7	136.4 (402)	−0.2 (742)	192.9 (389)
411	Paine Webber Group	10.7	145.3 (355)	0.9 (719)	1152.1 (175)
412	Niagara Mohawk Power	10.6	262.8 (162)	33.9 (60)	588.1 (280)
412	Weis Markets	10.6	90.4 (620)	5.2 (499)	35.9 (733)
414	Deluxe Check Printers	10.6	64.5 (736)	8.3 (383)	41.4 (717)
415	Philadelphia Electric	10.6	281.6 (139)	46.5 (30)	902.8 (220)
416	InterFirst	10.5	226.2 (203)	11.3 (268)	2066.0 (62)
417	Texas Eastern	10.5	592.5 (33)	20.3 (125)	550.7 (286)
418	Safeco	10.5	176.6 (277)	9.5 (336)	371.7 (336)
419	Collins & Aikman	10.4	98.5 (568)	5.9 (465)	50.6 (681)
420	Tecumseh Products	10.3	87.7 (633)	6.9 (426)	54.0 (665)
421	InterNorth	10.1	740.2 (21)	29.3 (80)	603.4 (273)
422	GD Searle	10.1	123.3 (460)	16.0 (154)	162.5 (407)
423	Fleetwood Enterprises	10.1	134.9 (408)	5.9 (465)	37.0 (728)
424	M/A-Com	10.0	79.5 (668)	4.0 (563)	75.5 (572)
425	Sanders Associates	10.0	83.6 (649)	4.0 (563)	54.0 (665)
426	Asarco	10.0	132.5 (418)	−30.6 (776)	194.6 (387)
426	Masco	10.0	102.0 (554)	11.6 (262)	129.6 (445)
428	St Paul Cos	9.8	239.9 (187)	−21.8 (774)	541.8 (293)
429	Lowe's Companies	9.7	173.7 (282)	6.3 (447)	65.4 (617)
430	Temple-Inland	9.6	131.6 (421)	10.7 (287)	142.1 (429)
431	Circle K	9.6	147.9 (344)	3.2 (607)	59.0 (645)
432	Kerr-McGee	9.6	369.9 (83)	6.8 (432)	394.4 (331)
433	Irving Bank	9.6	224.3 (204)	10.3 (301)	1987.7 (65)
434	Sun Banks	9.5	109.0 (519)	6.8 (432)	989.9 (201)
435	First Bank System	9.5	247.7 (179)	13.8 (200)	2364.4 (53)
436	MCorp	9.4	173.6 (283)	11.5 (264)	2207.4 (56)
437	Paccar	9.3	241.7 (185)	13.5 (207)	107.7 (478)
438	PacifiCorp	9.3	192.0 (248)	26.3 (95)	509.1 (301)
439	Central & South West	9.2	300.3 (126)	34.4 (58)	696.9 (242)
440	Longs Drug Stores	9.2	149.5 (336)	4.4 (539)	39.2 (723)
441	Baltimore Gas & Elec	9.1	192.6 (246)	26.7 (90)	438.5 (316)
442	Carolina Power & Lt	9.1	203.5 (229)	32.3 (68)	654.5 (252)
443	NVF	9.1	140.2 (381)	−16.2 (771)	129.4 (446)
443	Petrie Stores	9.1	92.1 (607)	5.3 (494)	86.2 (539)
443	USF&G	9.1	312.0 (116)	10.3 (301)	676.7 (248)
446	Northeast Utilities	9.0	232.1 (194)	32.0 (72)	609.9 (269)
447	Avnet	8.9	193.4 (245)	8.9 (362)	99.0 (503)
448	Bausch & Lomb	8.8	61.0 (750)	5.7 (476)	64.8 (620)
448	Sea-Land	8.8	201.1 (234)	9.2 (350)	207.0 (385)
450	Archer Danls Midland	8.7	529.4 (38)	15.8 (166)	371.0 (337)
451	Intl Minerals & Chem	8.7	184.4 (260)	10.9 (280)	228.5 (371)
452	Pennzoil	8.7	270.3 (153)	15.0 (171)	373.2 (335)
453	First City Bancorp	8.7	219.1 (211)	9.3 (345)	1997.8 (64)
454	Cyclops	8.6	147.9 (344)	2.1 (670)	61.8 (635)
455	New York Times	8.6	143.4 (366)	11.7 (260)	101.3 (499)
456	NCNB	8.5	193.7 (244)	14.1 (192)	1848.5 (70)
457	Amerada Hess	8.4	980.2 (15)	20.2 (128)	752.3 (234)
458	RepublicBank	8.4	261.7 (165)	16.3 (156)	2563.2 (44)
459	American Natl Ins	8.4	89.8 (621)	10.5 (295)	420.7 (322)
460	Witco Chemical	8.3	179.6 (273)	7.5 (412)	90.8 (521)
461	Capital Holding	8.3	210.8 (218)	14.4 (185)	666.3 (250)
462	Penn Power & Light	8.3	188.9 (254)	38.5 (43)	835.3 (228)
463	Capital Cities Commun	8.3	113.7 (493)	16.4 (154)	146.2 (423)
464	Willamette Inds	8.1	145.1 (356)	8.1 (394)	115.1 (467)
465	Sovran Financial	8.1	112.3 (505)	9.9 (324)	1020.6 (195)
466	Warner Comm	8.1	251.1 (177)	−74.3 (781)	295.3 (359)

The Forbes 500s–Jobs And Productivity

Rank	Company	Employees (000)	Per employee ($000)		
			Sales (rank)	Profits (rank)	Assets (rank)
467	Texas Commerce Bshs	8.0	257.3 (170)	22.8 (109)	2580.5 (43)
468	Chubb	8.0	254.2 (173)	6.1 (459)	546.3 (289)
469	Sysco	7.9	315.5 (111)	6.1 (459)	80.6 (549)
470	Wetterau	7.8	380.3 (75)	3.2 (607)	73.2 (578)
471	Cox Communications	7.8	95.7 (584)	11.3 (268)	143.1 (426)
472	Bank of New York	7.7	203.5 (229)	13.9 (198)	1956.2 (66)
473	Illinois Tool Works	7.7	76.9 (685)	7.8 (404)	62.9 (632)
474	Ohio Edison	7.7	213.8 (215)	44.3 (33)	873.7 (223)
475	Gt Western Financial	7.6	378.6 (77)	12.4 (239)	3109.1 (32)
476	Consol Natural Gas	7.5	467.9 (54)	27.8 (88)	466.1 (312)
477	Arizona Public Serv	7.5	132.7 (416)	36.1 (53)	620.5 (265)
478	Banc One	7.4	141.4 (376)	14.6 (179)	1227.2 (153)
479	MCI Communications	7.4	264.6 (157)	8.0 (398)	525.8 (299)
480	Cabot	7.4	260.1 (166)	14.2 (188)	250.2 (364)
481	No States Power	7.3	244.0 (182)	26.4 (94)	514.2 (300)
482	Union Electric	7.3	194.7 (242)	44.7 (32)	810.4 (230)
483	Waldbaum	7.3	236.1 (190)	1.8 (681)	46.3 (701)
484	Gelco	7.2	137.9 (395)	2.6 (635)	355.2 (346)
485	NBD Bancorp	7.1	194.3 (243)	13.3 (212)	2006.8 (63)
486	Newmont Mining	7.1	109.2 (518)	5.3 (494)	302.5 (356)
486	Williams Cos	7.1	480.7 (48)	21.2 (117)	643.1 (255)
486	Southeast Banking	7.1	145.6 (354)	9.1 (354)	1399.8 (113)
489	Eastern Gas & Fuel	7.0	188.0 (255)	2.4 (654)	185.9 (394)
489	Wilson Foods	7.0	240.7 (186)	−2.3 (751)	32.9 (746)
491	Swift Independent	7.0	436.2 (60)	0.9 (719)	47.0 (697)
492	First Natl State Bcp	6.9	154.3 (323)	11.8 (255)	1547.8 (91)
493	Finl Corp of America	6.9	476.0 (50)	−87.6 (782)	3849.9 (23)
494	Public Service Colo	6.9	262.1 (164)	21.1 (119)	416.2 (323)
495	George A Hormel	6.9	212.4 (216)	3.9 (569)	77.3 (558)
496	Phibro-Salomon	6.9	4220.6 (2)	30.9 (76)	8521.2 (6)
497	PNC Financial	6.8	219.3 (210)	20.9 (120)	2175.2 (58)
498	Valley National	6.8	141.8 (374)	8.8 (367)	1285.5 (146)
499	Brown-Forman	6.7	139.4 (387)	11.8 (255)	140.3 (431)
500	Michigan National	6.7	126.2 (447)	3.2 (607)	1010.3 (196)
500	Engelhard	6.7	374.8 (80)	6.9 (426)	128.8 (446)
502	Wachovia	6.7	137.5 (396)	15.1 (170)	1310.6 (140)
503	Sonat	6.7	389.6 (72)	32.4 (67)	547.3 (287)
504	Prime Computer	6.6	96.8 (579)	9.0 (357)	75.6 (571)
505	Central Soya	6.6	263.2 (159)	3.3 (602)	96.2 (512)
506	Panhandle Eastern	6.6	486.7 (46)	25.2 (98)	813.5 (229)
507	National City	6.6	125.5 (449)	10.0 (318)	1880.9 (68)
508	Dow Jones	6.6	147.3 (348)	19.7 (131)	122.6 (457)
509	GATX	6.5	130.4 (426)	5.6 (483)	386.8 (333)
510	Norstar Bancorp	6.5	112.6 (503)	11.9 (252)	1219.3 (157)
511	CoreStates Financial	6.4	168.8 (294)	16.3 (156)	1536.6 (93)
512	Torchmark	6.3	180.3 (271)	20.7 (123)	527.5 (298)
513	WW Grainger	6.1	173.5 (284)	11.3 (268)	107.1 (479)
514	Wisconsin Elec Power	6.1	235.3 (191)	26.6 (91)	404.8 (327)
515	HF Ahmanson	6.1	447.6 (57)	8.0 (398)	4013.8 (20)
516	Vulcan Materials	6.0	163.2 (305)	13.0 (221)	134.7 (439)
517	Citizens & Sthrn Ga	6.0	138.2 (392)	12.0 (248)	1333.7 (133)
518	Comerica	6.0	171.3 (288)	9.5 (336)	1612.9 (84)
519	No Indiana Pub Svc	5.9	337.6 (98)	23.7 (103)	638.9 (257)
520	Murphy Oil	5.9	366.7 (84)	16.2 (159)	453.9 (314)
521	Combined Intl	5.9	219.8 (208)	23.2 (105)	464.4 (313)
522	Allegheny Power	5.8	295.2 (133)	30.2 (77)	640.7 (256)
523	Computervision	5.8	95.9 (583)	6.5 (441)	92.8 (518)
524	Mapco	5.7	356.0 (89)	22.0 (114)	314.2 (353)
525	Snap-On Tools	5.7	95.6 (586)	10.5 (295)	74.1 (577)
525	Clorox	5.7	179.8 (272)	14.1 (192)	116.2 (466)
527	CBT	5.6	129.5 (429)	8.2 (388)	1218.6 (158)
528	Washington National	5.6	144.6 (358)	2.2 (665)	596.7 (277)
529	Nicor	5.6	432.0 (61)	−32.6 (779)	425.8 (319)
530	Cleveland Elec Illum	5.6	217.6 (213)	52.2 (22)	882.1 (222)
531	Alltel	5.5	115.4 (486)	11.3 (268)	266.7 (360)
532	Jefferson-Pilot	5.5	173.4 (285)	32.1 (70)	631.2 (260)
533	US Bancorp	5.5	139.3 (388)	10.9 (280)	1357.7 (123)
534	First Union	5.5	151.1 (334)	14.6 (179)	1336.3 (131)
535	MidCon	5.4	770.3 (20)	28.6 (83)	660.2 (251)
536	Rainier Bancorp	5.4	149.5 (336)	11.3 (268)	1429.7 (109)
537	Long Island Lighting	5.4	364.1 (86)	78.9 (13)	1273.2 (147)
538	Coastal Corp	5.4	1158.5 (8)	18.8 (137)	609.9 (269)
539	Crown Central Petro	5.4	297.9 (127)	−9.2 (742)	97.9 (506)
540	Washington Post	5.4	182.3 (265)	15.9 (165)	119.6 (461)
541	Potomac Elec Power	5.4	223.5 (206)	31.4 (74)	540.2 (295)
542	Florida Progress	5.3	253.4 (174)	21.7 (115)	622.6 (263)
543	Big Three Industries	5.3	147.4 (347)	10.8 (283)	219.1 (376)
544	CalFed	5.3	392.1 (70)	12.4 (239)	3366.7 (24)
545	Shawmut	5.2	130.7 (424)	8.4 (380)	1254.8 (151)
546	Trust Co of Georgia	5.1	127.4 (440)	17.6 (146)	1214.1 (159)
547	Gulf States Utils	5.0	307.5 (120)	51.3 (23)	971.3 (206)
548	New England Electric	5.0	295.7 (132)	30.2 (77)	684.9 (245)
549	Apple Computer	5.0	378.5 (78)	20.8 (121)	192.8 (390)
550	Berkshire Hathaway	5.0	141.9 (371)	14.0 (196)	407.0 (326)
551	United Virginia Bshs	5.0	133.5 (412)	11.5 (264)	1193.0 (163)
552	BayBanks	5.0	113.5 (497)	7.5 (412)	1043.7 (189)
553	First Security	5.0	120.2 (468)	4.7 (522)	1029.1 (192)
554	Midlantic Banks	5.0	144.3 (359)	13.1 (216)	1449.0 (106)
555	Consolidated Papers	4.9	140.0 (382)	16.4 (154)	111.9 (473)
556	San Diego Gas & Elec	4.9	332.2 (102)	37.6 (45)	604.8 (272)
557	Duquesne Light	4.9	177.7 (276)	32.3 (68)	727.7 (238)
558	Cincinnati G&E	4.9	292.6 (136)	26.6 (91)	645.5 (254)
559	Maytag	4.8	132.6 (417)	13.0 (221)	68.0 (604)
560	Maryland National	4.8	152.7 (327)	10.1 (313)	1506.3 (101)
561	Tandem Computers	4.8	117.7 (480)	9.7 (330)	106.9 (480)
562	Freeport-McMoRan	4.8	175.5 (279)	19.6 (132)	397.2 (329)
562	Storer Communication	4.8	111.8 (508)	−3.5 (754)	258.8 (362)
564	Fleet Financial	4.8	153.0 (326)	13.6 (203)	1205.4 (160)
565	Key Banks	4.7	116.1 (483)	10.8 (283)	1191.5 (164)
566	Utah Power & Light	4.7	205.6 (227)	24.5 (100)	615.6 (266)
567	Arkla	4.7	251.9 (176)	13.6 (203)	355.7 (345)
568	First Wisconsin	4.7	125.7 (448)	6.8 (432)	1178.1 (168)
569	Nalco Chemical	4.7	142.1 (370)	16.3 (156)	102.5 (493)
570	First Atlanta	4.6	159.7 (311)	13.1 (216)	1513.9 (97)
571	Public Service Indiana	4.6	197.2 (238)	18.5 (142)	1052.7 (188)
572	Kansas Power & Light	4.6	321.8 (107)	19.5 (133)	363.9 (340)

The Forbes 500s–Jobs And Productivity

Rank	Company	Employees (000)	Per employee ($000) Sales (rank)	Profits (rank)	Assets (rank)
573	CityFed Finl S & L	4.5	206.6 (225)	13.7 (202)	1673.2 (78)
574	Farm House Foods	4.5	312.4 (114)	1.7 (686)	51.0 (679)
575	AE Staley Mfg	4.5	495.9 (42)	8.1 (394)	375.3 (334)
576	Bank of New England	4.4	181.3 (268)	10.4 (299)	1520.3 (95)
577	Hartford National	4.4	144.0 (362)	13.3 (212)	1407.6 (112)
578	Florida Natl Banks	4.4	134.6 (409)	9.7 (330)	1224.2 (154)
579	Geico	4.4	227.7 (198)	23.0 (108)	436.5 (317)
580	NY State Elec & Gas	4.4	258.8 (167)	48.5 (26)	855.6 (225)
581	Northern Trust	4.4	173.3 (286)	5.1 (505)	1659.8 (80)
582	Bowater	4.3	204.5 (228)	16.6 (152)	237.9 (368)
583	Tele-Communications	4.3	104.3 (542)	4.0 (563)	368.4 (338)
584	Huntington Bancshs	4.3	146.6 (351)	10.2 (310)	1302.1 (144)
585	Rubbermaid	4.2	133.3 (414)	11.0 (278)	86.7 (535)
586	Scana	4.2	268.3 (154)	29.0 (81)	594.3 (278)
587	Provident Life & Acc	4.2	329.3 (105)	23.5 (104)	1026.2 (193)
588	Boston Edison	4.2	314.8 (112)	21.2 (117)	536.9 (296)
589	Lubrizol	4.2	202.4 (231)	16.2 (159)	168.3 (405)
590	Primark	4.1	495.4 (43)	12.0 (248)	335.7 (350)
591	Illinois Power	4.1	312.1 (115)	57.4 (18)	966.2 (207)
592	California First Bank	4.1	132.0 (419)	5.2 (499)	1221.2 (156)
593	Oklahoma Gas & Elec	4.0	254.8 (172)	28.1 (86)	545.5 (290)
594	First Tennessee Natl	4.0	126.8 (443)	9.5 (336)	1165.4 (172)
595	Mercantile Bancorp	4.0	151.3 (331)	11.7 (260)	1502.9 (102)
596	TECO Energy	4.0	181.3 (268)	24.7 (99)	485.9 (305)
597	Glendale Federal S&L	3.9	336.6 (99)	11.9 (252)	3009.0 (33)
598	Society	3.8	156.7 (318)	11.3 (268)	1516.1 (96)
599	Landmark Banking Fla	3.8	113.3 (499)	8.9 (362)	978.6 (204)
600	First of America Bank	3.8	127.6 (439)	8.8 (367)	1111.8 (180)
601	First Pennsylvania	3.8	154.4 (322)	3.9 (569)	1415.8 (111)
602	Manufacturers National	3.8	168.5 (295)	10.2 (310)	1650.2 (82)
603	AmeriTrust	3.8	174.1 (281)	18.7 (140)	1817.6 (71)
604	State Street Boston	3.8	128.5 (435)	13.1 (216)	1265.1 (150)
605	Utd Energy Resources	3.7	1077.4 (11)	9.6 (333)	671.7 (249)
606	Southwest Airlines	3.7	144.9 (357)	13.4 (210)	174.7 (401)
607	Intl Flavors & Frag	3.7	129.4 (432)	18.8 (137)	122.8 (456)
608	US Tobacco	3.7	120.8 (466)	22.8 (109)	111.2 (474)
609	Allied Bancshares	3.7	296.9 (129)	32.5 (65)	2638.3 (42)
610	First Alabama Bcbs	3.6	102.9 (547)	12.0 (248)	963.1 (208)
611	Peoples Energy	3.6	471.7 (52)	20.8 (121)	368.1 (339)
612	AmSouth Bancorp	3.6	125.4 (450)	10.3 (301)	1184.2 (166)
613	Community Psych Ctrs	3.6	48.0 (767)	10.0 (318)	65.6 (615)
614	Transco Energy	3.6	1016.3 (13)	38.5 (43)	1025.3 (194)
615	First Maryland Bncp	3.6	128.3 (436)	6.5 (441)	1151.5 (177)
616	Monfort of Colorado	3.6	402.6 (67)	4.4 (539)	70.6 (593)
617	Louisville Gas & Elec	3.5	191.0 (250)	22.3 (112)	413.0 (325)
618	Texas Oil & Gas	3.5	575.8 (35)	99.0 (8)	993.3 (200)
619	Alexander & Baldwin	3.5	131.4 (422)	18.9 (135)	223.1 (375)
620	McLean Industries	3.5	274.0 (149)	17.6 (146)	436.2 (318)
621	First Virginia Banks	3.5	91.1 (615)	10.0 (318)	768.4 (233)
622	Banco Popular PR	3.5	100.1 (562)	8.5 (375)	1010.2 (197)
623	Texas American Bcbs	3.5	191.0 (250)	12.4 (239)	1736.0 (76)
624	Centerre Bancorp	3.5	158.5 (313)	6.7 (437)	1506.4 (100)
625	Mitchell Energy & Dev	3.5	265.1 (156)	10.3 (301)	597.2 (275)
626	Commerce Bancshrs	3.4	139.7 (385)	9.0 (357)	1343.8 (128)
627	South Carolina Natl	3.4	88.7 (631)	9.8 (327)	1204.6 (161)
628	Fidelcor	3.4	192.5 (247)	12.6 (233)	1783.0 (74)
629	First Kentucky Natl	3.3	108.8 (521)	10.6 (292)	1061.4 (187)
630	Meridian Bancorp	3.3	153.9 (324)	12.5 (236)	1662.4 (79)
631	United Banks of Colo	3.3	143.8 (363)	9.8 (327)	1294.1 (145)
632	Home Federal S&L-Cal	3.2	297.0 (128)	18.8 (137)	2737.4 (38)
633	Marshall & Ilsley	3.2	126.3 (446)	10.7 (287)	1222.9 (155)
634	Colonial Penn Group	3.2	391.2 (71)	15.3 (168)	356.3 (344)
635	Dominion Bankshares	3.2	146.9 (349)	10.3 (301)	1352.3 (126)
636	Atlantic Bancorp	3.2	117.8 (479)	10.3 (301)	1173.6 (170)
637	Portland Genl Elec	3.2	227.9 (197)	50.0 (25)	749.3 (235)
638	Price Co	3.1	431.7 (62)	10.8 (283)	113.1 (471)
639	Third National	3.1	147.9 (344)	12.4 (239)	1355.1 (124)
640	Intergraph	3.1	130.0 (428)	20.3 (125)	113.5 (469)
641	Houston Natural Gas	3.1	647.6 (28)	36.5 (50)	1203.9 (162)
641	Charter	3.1	1092.9 (10)	−241.7 (785)	264.6 (361)
641	Tesoro Petroleum	3.1	943.7 (16)	4.1 (556)	340.4 (349)
644	American President	3.1	293.9 (135)	33.6 (62)	320.5 (352)
645	American Petrofina	3.1	695.0 (25)	14.7 (177)	557.6 (284)
646	Northwestern Finl	3.0	106.3 (529)	8.2 (388)	903.9 (219)
647	Old Kent Financial	3.0	146.1 (353)	14.8 (174)	1323.8 (137)
648	Uslife	3.0	307.6 (119)	6.2 (452)	1035.9 (191)
649	United Jersey Banks	3.0	136.2 (403)	10.1 (313)	1353.9 (125)
650	Dayton Power & Light	3.0	339.0 (96)	34.6 (57)	689.0 (243)
651	Bank of Virginia	2.9	165.9 (301)	12.7 (226)	1419.7 (110)
652	Questar	2.9	236.5 (189)	21.3 (116)	341.3 (348)
653	Colorado Natl Bnkshs	2.9	111.7 (509)	7.2 (421)	927.9 (216)
654	Kansas City Pwr & Lt	2.9	201.9 (232)	52.4 (21)	839.3 (227)
655	Bancorp Hawaii	2.9	144.3 (359)	11.4 (266)	1335.6 (132)
656	Central Ill Pub Svc	2.9	252.0 (175)	26.6 (91)	561.3 (283)
657	First Florida Banks	2.8	122.7 (461)	13.4 (210)	1316.6 (139)
658	Public Service NM	2.8	157.1 (316)	46.9 (29)	917.0 (218)
659	Pioneer Hi-Bred Intl	2.8	256.2 (171)	25.8 (97)	305.2 (354)
660	Tambrands	2.8	139.3 (388)	20.2 (128)	96.1 (513)
661	First Citizens	2.8	91.2 (612)	8.2 (388)	780.2 (232)
662	General Re	2.8	665.4 (27)	26.1 (96)	2186.1 (57)
663	First American	2.7	148.7 (341)	11.8 (255)	1442.2 (107)
664	Southmark	2.7	200.0 (236)	28.9 (82)	477.8 (307)
665	Central Fidelity Banks	2.7	125.4 (450)	11.0 (278)	1113.5 (179)
666	Rochester Gas & Elec	2.6	295.9 (130)	39.1 (42)	631.9 (259)
667	Continental Bancorp	2.6	151.4 (330)	14.7 (177)	1579.3 (87)
668	Bergen Brunswig	2.6	688.7 (26)	7.4 (415)	160.3 (409)
669	Shared Medical System	2.6	98.2 (574)	13.0 (221)	74.3 (576)
670	Equitable Bancorp	2.6	138.2 (392)	9.8 (327)	1265.2 (149)
671	Horizon Bancorp	2.6	115.5 (485)	10.3 (301)	1040.3 (190)
672	SouthTrust	2.6	142.6 (368)	13.5 (207)	1342.2 (129)
673	Moore Financial	2.5	136.7 (399)	8.6 (373)	1169.3 (171)
674	Delmarva Power & Lt	2.5	278.9 (142)	36.6 (49)	632.9 (258)
674	PSFS	2.5	555.0 (36)	28.6 (83)	5447.8 (9)
676	Citizens Southern SC	2.5	101.3 (557)	9.5 (336)	958.0 (209)
677	Brush Wellman	2.5	129.0 (433)	16.6 (152)	117.6 (464)
678	First Boston	2.5	811.8 (17)	32.1 (70)	10192.0 (5)

The Forbes 500s–Jobs And Productivity

Rank	Company	Employees	Per employee ($000)		
		(000)	Sales (rank)	Profits (rank)	Assets (rank)
679	Cullen/Frost Bankers	2.4	149.4 (338)	6.2 (452)	1386.0 (116)
680	Southwestern Pub Svc	2.4	334.0 (100)	45.8 (31)	611.4 (268)
681	Toledo Edison	2.4	227.3 (200)	63.3 (15)	1181.4 (167)
682	Turner	2.4	701.6 (24)	5.3 (494)	213.0 (381)
683	Puget Sound Pwr & Lt	2.4	276.4 (144)	40.0 (37)	930.3 (215)
684	Mercantile Bankshrs	2.4	113.1 (500)	14.1 (192)	957.1 (210)
685	Equitable Resources	2.4	232.3 (193)	31.2 (75)	320.7 (351)
686	Central Bancorp	2.4	139.2 (391)	11.1 (276)	1345.9 (127)
687	American Fletcher	2.4	157.4 (315)	10.9 (280)	1508.4 (99)
688	Arizona Bancwest	2.4	143.7 (364)	9.5 (336)	1379.2 (118)
689	Homestake Mining	2.3	124.2 (455)	12.5 (236)	297.3 (358)
690	Republic New York	2.3	486.5 (47)	41.5 (35)	5325.8 (10)
691	Public Service NH	2.3	227.6 (199)	67.8 (14)	1111.0 (182)
692	Affiliated Bshs Colo	2.3	125.0 (453)	9.2 (350)	1093.6 (184)
693	Centran	2.3	151.2 (332)	13.1 (216)	1359.3 (121)
694	Central Bancshares	2.3	141.8 (374)	11.1 (276)	1329.3 (135)
695	Boatmen's Bancshares	2.3	153.1 (325)	13.6 (203)	1533.3 (94)
696	Equimark	2.3	143.5 (365)	−17.7 (771)	1151.8 (176)
697	Ipalco Enterprises	2.2	207.1 (223)	33.2 (63)	703.3 (241)
698	Golden West Finl	2.2	476.6 (49)	36.5 (50)	4796.6 (12)
699	Peoples Bancorp	2.2	114.3 (492)	6.9 (426)	989.2 (202)
700	Kansas Gas & Elec	2.1	191.3 (249)	56.8 (19)	1001.6 (199)
701	First Hawaiian	2.1	140.7 (378)	11.4 (266)	1302.7 (143)
702	Apollo Computer	2.1	102.4 (551)	11.3 (268)	103.0 (490)
703	Northwestern Natl	2.1	505.0 (41)	6.2 (452)	1127.6 (178)
704	First Empire State	2.1	124.0 (457)	8.2 (388)	1072.1 (186)
705	Union Trust Bancorp	2.1	113.7 (493)	9.3 (345)	1010.2 (197)
706	Imperial Corp of Am	2.1	398.0 (68)	0.8 (724)	4129.3 (18)
706	Gr Amer First Savings	2.1	344.3 (93)	9.9 (324)	3278.1 (28)
708	Valero Energy	2.0	1127.1 (9)	−7.9 (765)	975.6 (205)
709	Gibraltar Financial	2.0	460.8 (55)	15.2 (169)	4556.6 (13)
710	Indiana National	2.0	169.8 (292)	14.8 (174)	1659.4 (81)
711	Atlantic City Elec	2.0	274.2 (148)	31.6 (73)	609.0 (271)
712	Marine	2.0	151.5 (329)	9.5 (336)	1357.9 (122)
713	United Missouri Bshs	2.0	126.6 (444)	14.9 (172)	1477.4 (103)
714	Union National	2.0	123.7 (458)	8.9 (362)	1187.2 (165)
715	Deposit Guaranty	1.9	136.6 (400)	8.0 (398)	1329.2 (136)
716	Kentucky Utilities	1.9	273.1 (151)	35.1 (55)	596.9 (276)
717	RIHT Financial	1.9	136.2 (403)	8.7 (372)	1173.9 (169)
718	Digital Switch	1.9	182.7 (263)	29.7 (79)	246.3 (365)
719	City National	1.9	130.2 (427)	10.3 (301)	1156.2 (173)
720	Commerce Union	1.9	149.2 (339)	9.3 (345)	1399.7 (114)
721	Tosco	1.9	994.4 (14)	−110.3 (784)	363.8 (341)
722	Cooper Laboratories	1.9	84.6 (646)	40.0 (37)	173.6 (404)
723	Super Food Services	1.9	706.8 (23)	4.2 (549)	86.9 (534)
724	Riggs National	1.9	309.3 (118)	14.2 (188)	2703.2 (39)
725	Cray Research	1.9	121.9 (464)	24.2 (101)	175.9 (397)
726	Suburban Bancorp	1.8	156.8 (317)	14.5 (184)	1571.6 (90)
727	First Natl Cinc	1.8	160.9 (307)	16.1 (163)	1509.3 (98)
728	Sunwest Financial	1.8	129.5 (429)	11.2 (275)	1155.1 (174)
729	Natl Bancshares Texas	1.8	156.2 (319)	14.0 (196)	1476.8 (104)
730	Marion Laboratories	1.8	141.3 (377)	16.2 (159)	106.7 (482)
731	Bank South	1.8	122.5 (462)	10.0 (318)	1329.7 (134)
732	Citizens Fidelity	1.8	196.8 (239)	19.1 (134)	1805.2 (72)
733	Alleghany	1.8	111.1 (514)	140.5 (3)	476.9 (308)
734	Zions Utah Bancorp	1.7	164.7 (302)	14.6 (179)	1579.5 (86)
735	Idaho Power	1.7	249.4 (178)	58.3 (17)	924.6 (217)
736	Fifth Third Bancorp	1.7	140.7 (378)	20.2 (128)	1378.7 (119)
737	US Trust	1.7	160.1 (309)	12.7 (226)	1394.2 (115)
738	Midwest Finl	1.7	122.3 (463)	4.4 (539)	1308.4 (141)
739	Sumitomo Bank Cal	1.6	182.0 (266)	6.6 (440)	1694.6 (77)
740	First Federal Mich	1.6	627.8 (29)	16.9 (150)	5867.4 (7)
741	Pioneer	1.6	286.1 (138)	108.6 (6)	528.6 (297)
742	Toledo Trustcorp	1.6	141.9 (371)	13.5 (207)	1460.7 (105)
743	United Illuminating	1.6	325.8 (106)	56.5 (20)	950.3 (212)
744	Iowa-Illinois G&E	1.5	374.3 (81)	39.9 (39)	746.8 (237)
745	Florida Federal S&L	1.5	332.9 (101)	5.9 (465)	3304.1 (27)
746	Northeast Savings	1.5	257.4 (169)	−0.3 (744)	2665.9 (40)
747	Carteret Savings	1.5	386.0 (74)	8.0 (398)	3347.1 (25)
748	Banks of Mid-America	1.5	201.8 (233)	4.0 (563)	2441.4 (50)
749	Old Stone	1.5	206.8 (224)	12.6 (233)	1798.0 (73)
750	First Federal S&L	1.5	321.6 (108)	12.4 (239)	2997.0 (34)
751	American Security	1.5	273.8 (150)	3.2 (607)	2809.8 (36)
751	BancOklahoma	1.5	185.2 (257)	13.8 (200)	2111.0 (60)
753	Dauphin Deposit	1.4	170.0 (291)	14.2 (188)	1577.0 (88)
754	Merchants National	1.4	184.6 (258)	8.6 (373)	1647.4 (83)
755	First Oklahoma Bncp	1.4	231.9 (195)	−19.8 (773)	1924.9 (67)
756	Fedl Natl Mortgage	1.4	6401.6 (1)	−40.5 (780)	62268.4 (1)
757	Washington Water Pwr	1.4	301.0 (125)	48.0 (28)	940.6 (213)
758	Western Savings & Loan	1.3	352.4 (90)	10.1 (313)	3307.3 (26)
759	Guarantee Finl Cal	1.2	230.5 (196)	2.5 (642)	2334.4 (54)
760	Cullinet Software	1.2	139.6 (386)	18.9 (135)	149.0 (420)
761	Transohio Finl	1.2	242.6 (184)	3.9 (569)	2399.1 (52)
762	Louisiana Land	1.2	1070.3 (12)	82.7 (12)	1340.4 (130)
763	Washington Mutual	1.1	346.6 (92)	−8.5 (767)	3180.0 (30)
764	Valley Federal S&L	1.1	276.2 (145)	−10.6 (769)	2418.2 (51)
765	El Paso Electric	1.1	306.6 (122)	100.9 (7)	1575.1 (89)
766	Tucson Electric Pwr	1.0	340.9 (95)	125.8 (5)	1382.7 (117)
767	First Columbia Fincl	1.0	294.2 (134)	5.7 (476)	2544.8 (45)
768	Georgia Federal Bank	0.9	274.3 (147)	3.9 (569)	2512.1 (46)
769	Whitney Holding	0.9	245.0 (180)	37.2 (46)	2469.8 (49)
769	Downey S&L	0.9	264.4 (158)	13.6 (203)	2503.1 (47)
771	Amer Savings & Loan	0.9	476.0 (50)	18.0 (143)	4220.1 (17)
772	American Continental	0.9	795.9 (18)	23.9 (102)	3852.9 (22)
773	Pacific Resources	0.8	2010.2 (4)	1.4 (700)	648.4 (253)
774	United Financial Grp	0.8	490.4 (44)	59.3 (16)	4452.3 (14)
775	Dallas Federal Finl	0.8	306.8 (121)	−5.5 (759)	2919.8 (35)
776	Subaru of America	0.7	1627.5 (6)	85.5 (11)	470.2 (310)
777	Farm & Home Savings	0.7	411.0 (65)	6.3 (447)	3874.1 (21)
778	Mesa Petroleum	0.7	602.9 (31)	397.4 (1)	5817.6 (8)
779	Fin Corp Santa Barbara	0.7	470.8 (53)	−31.4 (778)	4289.1 (15)
780	Citadel Holding	0.7	437.6 (59)	8.2 (388)	4233.0 (16)
781	Great Lakes Fedl S&L	0.7	348.9 (91)	10.6 (292)	3248.4 (29)
782	Student Loan Mktg	0.7	1865.6 (5)	152.5 (2)	17849.8 (2)
783	First Executive	0.5	3342.1 (3)	127.8 (4)	12038.1 (4)
784	Columbia S&L	0.4	1355.5 (7)	97.0 (9)	14503.6 (3)
785	Telerate	0.3	361.7 (87)	89.7 (10)	489.1 (303)

Ranking The Forbes 500s

This alphabetical summary shows performance figures of the Forbes 500s companies and the position of each on the various lists.

THE FORBES 500s RANK only publicly held, U.S.-based companies. • Net income includes results from discontinued operations, and excludes extraordinary items. For insurance companies, net income excludes portfolio capital gains and losses and the onetime benefit from the 1984 tax act. • Since the 1984 directory excluded results from discontinued operations, profit ranks may not be comparable. • Cash flow is net income plus depreciation, depletion and amortization. • Where significant, unconsolidated subsidiaries are included in these figures; the 1984 directory excluded unconsolidated subsidiaries, so some rankings are not comparable. • Fiscal year-end results are used for companies with years that end in November, December or January. For all others, trailing 12 months are used for sales and profits, and assets are as of the most recent quarter. • Sales exclude excise taxes for oil, liquor and tobacco companies. For nonfinancial companies, sales include net sales and other operating revenue. For financial companies, sales include operating income and other income. • Market value is as of Dec. 31, 1984.

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
353	238	46	80	Abbott Laboratories	3,173	3,104	5,020	402.6	531.3	34.0
■	■	216	245	Advanced Micro Devices	700	922	1,637	140.2	205.2	13.1
13	26	75	■	Aetna Life & Cas	51,029	15,411	3,648	58.0	98.2	46.8
435	■	■	■	Affiliated Bshs Colo	2,510	287	137	21.0	28.2	2.3
36	267	445	■	HF Ahmanson	24,307	2,711	736	48.2	95.9	6.1
451	390	252	248	Air Prods & Chems	2,378	1,755	1,402	138.7	321.7	17.2
■	144	359	410	Albertson's	1,033	4,736	957	79.7	131.1	34.0
■	211	496	458	Alco Standard	1,163	3,497	646	66.5	100.2	15.1
■	■	485	457	Alexander & Baldwin	787	463	663	66.6	98.6	3.5
■	■	■	141	Alleghany	835	195	583	246.1	249.9	1.8
■	324	■	■	Allegheny Intl	1,695	2,115	234	14.9	66.4	35.8
297	396	250	205	Allegheny Power	3,737	1,721	1,420	176.3	295.1	5.8
111	■	380	295	Allied Bancshares	9,630	1,084	881	118.8	133.6	3.7
135	43	111	64	Allied Corp	8,189	10,734	2,865	488.0	950.0	116.1
407	181	338	243	Allied Stores	2,676	3,971	1,038	140.7	227.4	62.0
■	■	■	480	Alltel	1,479	640	465	62.6	159.1	5.5
169	109	98	137	Alcoa	6,342	5,751	3,002	256.0	600.0	41.1
276	293	311	■	AMAX	3,977	2,399	1,115	–238.3	–31.3	13.1
168	66	162	209	Amerada Hess	6,353	8,277	2,019	170.5	738.2	8.4
144	125	81	78	American Brands	7,746	5,333	3,539	407.3	510.2	75.0
460	194	185	184	Amer Broadcasting	2,335	3,703	1,835	195.3	254.3	13.4
258	170	287	301	American Can	4,253	4,213	1,212	115.6	192.4	26.2
338	■	■	■	American Continental	3,302	682	79	20.5	30.5	0.9
335	187	137	163	American Cyanamid	3,327	3,857	2,435	215.9	405.7	38.4
75	132	68	65	American Elec Power	13,553	4,952	4,007	487.6	867.1	23.7
8	35	23	42	American Express	61,848	12,895	8,158	606.0	606.0	73.5
312	■	■	■	American Fletcher	3,569	373	165	25.8	30.4	2.4
52	123	199	112	American General	19,198	5,362	1,741	299.0	321.4	14.7
■	■	354	441	American Greetings	772	903	985	71.6	89.0	17.5
365	154	26	36	American Home Products	3,033	4,486	7,676	682.1	775.7	47.4
442	214	157	149	Amer Hospital Supply	2,461	3,449	2,087	237.8	325.0	32.5
61	63	27	18	Amer Info Technology	17,635	8,347	7,529	990.6	2,337.9	77.8
89	165	48	111	American Intl Group	11,625	4,281	4,961	302.4	337.3	23.9
384	331	213	237	Amer Medical Intl	2,811	2,067	1,647	143.5	264.5	42.0
■	169	■	■	American Motors	1,830	4,215	385	11.0	125.0	25.2

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
316	■	383	385	American Natl Ins	3,531	753	876	88.0	91.0	8.4
275	213	242	180	Am Natural Resources	4,001	3,493	1,482	196.1	506.1	11.0
■	322	453	■	American Petrofina	1,706	2,126	725	45.1	143.1	3.1
■	■	■	331	American President	987	905	450	103.5	145.4	3.1
304	■	■	■	Amer Savings & Loan	3,650	412	77	15.6	16.7	0.9
268	■	■	■	American Security	4,080	398	196	4.7	11.6	1.5
469	229	294	351	American Standard	2,277	3,215	1,188	97.1	195.1	43.0
285	36	293	197	American Stores	3,811	12,119	1,188	185.5	301.4	87.7
20	9	5	12	American Tel & Tel	39,827	33,188	20,235	1,369.9	4,147.8	365.0
158	■	■	446	AmeriTrust	6,845	656	538	70.4	83.0	3.8
■	295	■	■	Amfac	1,289	2,392	322	–14.1	34.4	22.9
■	375	79	174	AMP	1,487	1,813	3,596	201.3	276.4	22.9
218	124	195	154	AMR	5,261	5,354	1,750	233.9	541.4	44.6
256	■	■	■	AmSouth Bancorp	4,282	454	248	37.4	44.6	3.6
■	401	■	■	Anderson, Clayton	940	1,716	429	23.7	55.6	16.2
247	93	85	82	Anheuser-Busch Cos	4,525	6,501	3,413	391.5	594.9	38.9
■	■	468	■	Apollo Computer	217	216	690	23.9	31.0	2.1
■	358	191	327	Apple Computer	967	1,898	1,765	104.4	142.4	5.0
347	148	184	252	Archer Daniels Midland	3,231	4,610	1,845	137.4	257.5	8.7
344	■	■	■	Arizona Bancwest	3,251	339	214	22.5	29.6	2.4
240	■	233	124	Arizona Public Service	4,654	995	1,543	271.1	358.6	7.5
■	■	393	473	Arkla	1,668	1,181	842	63.8	116.9	4.7
302	151	492	■	Armco	3,687	4,543	654	–299.5	–129.4	46.2
■	427	412	368	Armstrong World Inds	951	1,569	803	92.2	150.1	20.0
■	480	■	■	Asarco	1,946	1,325	539	–306.1	–242.0	10.0
281	67	477	■	Ashland Oil	3,946	8,267	674	–173.7	40.2	31.5
■	176	420	287	Associated Dry Goods	2,084	4,107	787	120.7	198.3	59.0
300	■	■	■	Atlantic Bancorp	3,723	374	275	32.6	41.5	3.2
■	■	■	475	Atlantic City Elec	1,221	550	430	63.3	101.6	2.0
43	14	13	44	Atlantic Richfield	22,130	23,768	10,407	567.0	2,733.0	39.9
■	■	258	412	Auto Data Processing	808	958	1,377	79.4	167.5	16.5
■	404	279	417	Avnet	876	1,712	1,232	78.8	94.6	8.9
444	235	181	201	Avon Products	2,438	3,143	1,869	181.7	268.2	38.9
499	367	297	425	Baker International	2,093	1,848	1,174	76.2	204.6	20.3
■	486	■	■	Bally Manufacturing	1,464	1,309	303	–100.4	4.9	16.2
274	386	226	145	Baltimore Gas & Elec	4,011	1,762	1,597	243.9	418.2	9.1
123	■	367	318	Banc One	9,106	1,050	929	108.0	124.4	7.4
318	■	■	■	Banco Popular PR	3,527	350	160	29.8	35.1	3.5
360	■	■	■	BancOklahoma	3,065	269	110	20.0	26.0	1.5
284	■	■	■	Bancorp Hawaii	3,852	416	233	33.0	40.3	2.9
44	227	428	216	Bank of Boston	22,079	3,225	767	164.1	204.4	15.4
161	■	■	■	Bank of New England	6,755	806	270	46.3	53.7	4.4
71	426	■	320	Bank of New York	15,157	1,577	560	107.5	128.4	7.7
266	■	■	■	Bank of Virginia	4,134	483	305	37.1	44.7	2.9
453	■	■	■	Bank South	2,371	219	198	17.8	23.9	1.8
2	31	117	92	BankAmerica	117,680	14,397	2,746	345.5	627.1	89.2
16	137	193	107	Bankers Trust NY	45,208	4,834	1,753	306.8	343.0	11.0
306	■	■	■	Banks of Mid-America	3,643	301	83	5.9	10.3	1.5
81	470	422	332	Barnett Banks Fla	12,501	1,358	780	103.4	133.6	11.4
■	■	430	■	Bausch & Lomb	567	534	763	50.2	68.1	8.8

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
■	377	182	■	Baxter Travenol Labs	2,001	1,800	1,855	29.1	142.9	32.5
221	■	■	■	BayBanks	5,180	563	273	37.2	54.6	5.0
101	40	132	75	Beatrice	10,089	11,427	2,563	414.0	703.0	120.0
■	■	399	463	Becton, Dickinson	1,119	1,124	832	65.7	124.5	18.4
55	69	25	21	Bell Atlantic	18,684	8,090	8,007	973.1	2,167.0	90.0
39	56	14	15	BellSouth	23,673	9,519	10,170	1,257.2	2,793.0	97.3
142	284	444	392	Beneficial Corp	7,886	2,502	738	86.1	97.6	13.4
■	378	■	■	Bergen Brunswig	419	1,799	282	19.3	23.5	2.6
■	■	244	447	Berkshire Hathaway	2,035	709	1,462	70.2	79.0	5.0
■	311	■	■	Best Products	1,166	2,253	316	13.6	52.0	18.0
251	121	406	■	Bethlehem Steel	4,387	5,392	815	−131.7	150.9	51.4
■	447	407	■	Beverly Enterprises	1,700	1,420	814	47.0	104.7	78.0
■	■	409	■	Big Three Industries	1,153	776	812	56.7	136.0	5.3
■	412	295	349	Black & Decker	1,546	1,678	1,184	97.7	171.2	18.8
323	■	■	■	Boatmen's Bancshares	3,482	348	179	30.9	35.7	2.3
131	45	41	30	Boeing	8,485	10,354	5,505	787.0	1,152.0	86.6
328	192	312	448	Boise Cascade	3,409	3,817	1,109	69.6	227.0	28.2
377	150	209	188	Borden	2,884	4,568	1,684	191.4	304.4	32.2
387	186	175	173	Borg-Warner	2,783	3,916	1,902	206.1	316.9	82.9
478	482	■	381	Boston Edison	2,247	1,317	545	88.8	192.5	4.2
■	■	■	439	Bowater	1,033	888	600	72.1	115.7	4.3
345	173	30	68	Bristol-Myers	3,249	4,189	7,194	472.4	546.4	36.4
■	■	460	414	Brown-Forman	941	936	713	79.1	103.0	6.7
■	432	■	■	Brown Group	658	1,537	551	36.5	62.3	27.8
■	■	271	368	Browning-Ferris Inds	884	1,033	1,274	92.2	198.4	16.2
■	439	452	361	Brunswick	932	1,468	726	94.2	133.5	18.9
■	■	498	■	Brush Wellman	294	323	643	41.5	56.7	2.5
484	243	454	■	Burlington Inds	2,216	3,050	724	38.3	176.8	53.0
91	60	84	41	Burlington Northern	11,424	9,156	3,440	608.1	1,059.0	48.1
248	139	131	142	Burroughs	4,504	4,808	2,574	244.9	624.5	64.4
■	353	389	328	Cabot	1,839	1,912	855	104.1	193.8	7.4
60	333	■	464	CalFed	17,699	2,062	326	65.3	102.6	5.3
228	■	■	■	California First Bank	5,002	541	195	21.4	31.3	4.1
443	190	143	185	Campbell Soup	2,439	3,834	2,243	195.1	302.9	43.2
■	■	155	257	Capital Cities Commun	1,208	940	2,118	135.2	186.9	8.3
203	392	322	292	Capital Holding	5,520	1,746	1,087	119.3	132.7	8.3
186	366	207	115	Carolina Pwr & Lt	5,964	1,854	1,691	294.2	492.0	9.1
■	191	■	378	Carter Hawley Hale	1,962	3,833	450	89.7	162.0	54.0
226	■	■	■	Carteret Savings	5,041	581	63	12.1	16.3	1.5
■	425	■	■	Castle & Cooke	1,048	1,596	331	−141.0	−111.9	37.0
172	90	99	■	Caterpillar Tractor	6,223	6,576	3,001	−428.0	64.0	61.2
343	138	149	182	CBS	3,262	4,832	2,151	195.7	293.0	30.5
157	■	■	■	CBT	6,862	729	306	46.2	58.7	5.6
359	221	317	219	Celanese	3,104	3,328	1,097	161.0	375.0	22.4
440	463	337	281	Centel	2,478	1,375	1,040	123.4	316.2	12.9
219	■	■	■	Centerre Bancorp	5,215	549	215	23.3	34.3	3.5
165	261	154	104	Central & South West	6,419	2,766	2,130	317.2	527.8	9.2
351	■	■	■	Central Bancorp	3,190	330	201	26.4	33.4	2.4
363	■	■	■	Central Bancshares	3,038	324	169	25.4	33.1	2.3
368	■	■	■	Central Fidelity Banks	2,951	332	252	29.2	34.8	2.7

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
■	■	■	427	Central Ill Pub Svc	1,607	722	589	76.1	136.4	2.9
■	393	■	■	Central Soya	637	1,742	223	21.6	42.5	6.6
357	■	■	■	Centran	3,116	347	131	30.1	35.4	2.3
159	129	160	■	Champion Intl	6,815	5,121	2,064	−6.0	197.7	49.2
■	217	■	■	Charter	820	3,388	16	−749.3	−721.3	3.1
4	51	194	79	Chase Manhattan	86,883	9,881	1,751	405.8	513.8	40.4
11	108	218	96	Chemical New York	52,236	5,857	1,635	340.8	401.5	19.8
■	364	304	291	Chesebrough-Pond's	1,447	1,857	1,149	119.5	149.6	23.8
24	12	12	8	Chevron	36,358	27,830	10,691	1,534.0	3,673.0	38.9
124	19	70	9	Chrysler	9,063	19,573	3,887	1,496.1	2,050.5	100.4
252	337	315	■	Chubb	4,370	2,034	1,103	48.6	55.7	8.0
21	28	91	■	Cigna	39,035	14,775	3,201	29.1	92.1	44.9
356	449	■	272	Cincinnati G&E	3,131	1,419	635	129.1	207.4	4.9
■	450	■	■	Circle K	566	1,418	382	30.6	51.4	9.6
381	■	■	■	Citadel Holding	2,845	294	51	5.5	8.2	0.7
1	17	50	23	Citicorp	150,586	20,494	4,893	890.0	1,152.0	67.4
139	■	■	436	Citizens & Southern Ga	8,030	832	623	72.4	89.9	6.0
447	■	■	■	Citizens Southern SC	2,398	254	225	23.9	33.7	2.5
349	■	■	■	Citizens Fidelity	3,206	350	329	34.0	39.1	1.8
481	■	■	■	City National	2,225	251	200	19.8	25.2	1.9
146	■	■	482	CityFed Financial	7,595	938	132	62.0	71.7	4.5
230	■	247	118	Cleveland Elec Illum	4,926	1,215	1,444	291.6	387.2	5.6
■	■	435	409	Clorox	657	1,016	758	79.9	101.9	5.7
340	96	■	336	Coastal Corp	3,296	6,260	572	101.7	246.3	5.4
187	81	22	39	Coca-Cola	5,958	7,364	8,160	628.8	812.1	40.3
422	134	159	441	Colgate-Palmolive	2,568	4,910	2,065	71.6	139.2	42.8
■	■	■	487	Collins & Aikman	527	1,024	415	61.1	82.0	10.4
■	500	■	■	Colonial Penn Group	1,144	1,256	444	49.0	58.5	3.2
401	■	■	■	Colorado Natl Bnkshs	2,692	324	159	21.0	33.2	2.9
■	363	348	264	Colt Industries	1,024	1,868	1,007	132.2	174.0	22.3
220	149	261	231	Columbia Gas System	5,201	4,593	1,348	152.9	405.5	11.6
166	■	■	■	Columbia Savings & Loan	6,382	596	53	42.7	46.6	0.4
396	489	280	256	Combined Internatiional	2,721	1,288	1,229	135.7	186.2	5.9
436	242	330	343	Combustion Engineering	2,508	3,058	1,065	99.6	201.9	36.0
110	■	■	■	Comerica	9,631	1,023	353	56.9	68.9	6.0
241	■	■	■	Commerce Bancshrs	4,616	480	236	31.0	42.2	3.4
403	■	■	■	Commerce Union	2,686	286	123	17.8	22.9	1.9
68	133	49	27	Commonwealth Edison	16,302	4,930	4,912	875.5	1,356.5	18.1
■	■	416	■	Community Psych Centers	237	174	800	36.1	40.9	3.6
■	■	327	■	Computervision	539	556	1,066	37.7	78.4	5.8
■	141	372	443	ConAgra	1,770	4,777	910	71.4	112.9	21.7
129	112	69	40	Consolidated Edison	8,688	5,729	3,994	620.0	900.7	21.8
■	407	447	432	Consol Freightways	1,061	1,705	735	74.5	145.5	19.4
320	208	204	172	Consol Natural Gas	3,506	3,519	1,720	208.9	415.6	7.5
■	■	423	404	Consolidated Papers	548	686	778	80.6	105.9	4.9
121	226	■	160	Consumers Power	9,211	3,236	407	221.1	434.3	12.3
264	■	■	■	Continental Bancorp	4,160	399	296	38.6	42.7	2.6
106	147	186	335	Continental Corp	9,852	4,641	1,835	102.4	118.7	18.0
28	177	■	■	Continental Illinois	30,413	4,091	264	−1,087.0	−1,008.0	10.9
243	303	227	181	Continental Telecom	4,557	2,319	1,595	195.9	510.4	21.8

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
113	130	260	■	**Control Data**	9,589	5,027	1,350	31.6	240.0	55.0
■	339	290	321	**Cooper Industries**	1,954	2,030	1,195	106.9	180.5	30.1
■	■	■	428	**Cooper Laboratories**	330	161	220	76.0	86.2	1.9
107	■	480	326	**CoreStates Financial**	9,848	1,082	671	104.5	121.6	6.4
■	394	245	380	**Corning Glass Works**	1,857	1,733	1,461	88.9	199.9	27.3
■	■	255	388	**Cox Communications**	1,111	743	1,393	87.3	180.6	7.6
406	158	170	186	**CPC International**	2,683	4,373	1,943	193.4	329.3	38.5
■	■	426	■	**Cray Research**	330	229	770	45.4	74.5	1.9
42	270	■	■	**Crocker National**	22,322	2,677	521	–324.4	–280.6	14.5
■	423	■	■	**Crown Central Petroleum**	529	1,610	69	–1.2	45.1	5.4
■	465	■	500	**Crown Cork & Seal**	806	1,370	520	59.5	99.7	12.6
431	239	368	389	**Crown Zellerbach**	2,533	3,095	924	86.9	189.1	18.9
88	71	80	69	**CSX**	11,636	7,934	3,590	465.0	895.0	60.3
329	■	■	■	**Cullen/Frost Bankers**	3,382	365	175	15.1	23.4	2.4
■	■	478	■	**Cullinet Software**	178	167	672	22.6	28.6	1.2
■	497	■	■	**Cullum Companies**	241	1,268	137	15.8	33.9	11.2
■	301	448	194	**Cummins Engine**	1,506	2,326	733	187.9	260.1	19.8
■	495	■	■	**Cyclops**	531	1,272	149	18.4	36.1	8.6
490	■	■	■	**Dallas Federal Finl**	2,196	231	73	–4.1	–2.3	0.8
475	200	239	189	**Dana**	2,257	3,575	1,498	191.3	276.8	35.6
216	52	65	71	**Dart & Kraft**	5,285	9,759	4,081	455.8	638.0	72.3
■	■	246	365	**Data General**	1,113	1,254	1,449	92.7	164.2	16.3
468	■	■	■	**Dauphin Deposit**	2,285	246	153	20.6	23.4	1.4
286	70	95	133	**Dayton-Hudson**	3,800	8,009	3,056	259.3	416.3	115.0
■	■	■	329	**Dayton Power & Light**	2,060	1,014	604	103.6	156.4	3.0
201	166	163	431	**Deere**	5,556	4,275	2,018	74.7	275.9	44.4
■	■	481	370	**Delmarva Power & Light**	1,594	703	671	92.1	152.6	2.5
333	156	198	135	**Delta Air Lines**	3,351	4,459	1,743	258.6	607.4	37.5
■	■	283	387	**Deluxe Check Printers**	438	683	1,224	87.8	111.3	10.6
421	■	■	■	**Deposit Guaranty**	2,587	266	119	15.6	23.4	1.9
125	285	145	81	**Detroit Edison**	8,970	2,498	2,225	401.9	604.6	11.1
209	155	146	147	**Diamond Shamrock**	5,396	4,483	2,216	242.2	699.1	13.1
175	98	38	66	**Digital Equipment**	6,200	6,230	6,489	486.9	767.8	79.3
■	■	384	■	**Digital Switch**	475	352	876	57.3	64.4	1.9
■	492	■	■	**Dillard Dept Stores**	748	1,277	553	49.6	80.0	13.0
383	384	167	■	**Walt Disney**	2,824	1,780	1,977	44.9	206.3	29.0
254	■	■	■	**Dominion Bankshares**	4,317	469	252	32.9	40.0	3.2
138	272	134	116	**Dominion Resources**	8,098	2,605	2,516	293.3	600.4	13.0
■	373	178	258	**RR Donnelley & Sons**	1,440	1,815	1,874	133.9	224.2	17.1
■	488	286	337	**Dover**	918	1,289	1,214	100.5	147.4	14.8
92	41	43	46	**Dow Chemical**	11,419	11,418	5,228	549.0	1,457.0	52.2
■	■	122	272	**Dow Jones**	804	966	2,685	129.1	172.4	6.6
476	■	■	■	**Downey Savings & Loan**	2,253	238	44	12.2	16.0	0.9
348	189	256	418	**Dresser Industries**	3,213	3,841	1,388	78.6	263.3	41.5
37	8	8	11	**EI Du Pont**	24,098	35,999	11,861	1,431.0	3,167.0	158.5
140	268	105	70	**Duke Power**	8,019	2,710	2,933	461.3	931.0	20.6
467	294	47	52	**Dun & Bradstreet**	2,288	2,397	4,990	521.6	612.5	53.7
317	■	356	226	**Duquesne Light**	3,530	862	980	156.8	249.6	4.9
■	■	461	487	**E-Systems**	415	819	712	61.1	76.6	12.0
291	159	■	■	**Eastern Air Lines**	3,769	4,364	179	–37.9	249.8	37.8

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
■	483	■	■	Eastern Gas & Fuel	1,301	1,316	590	16.8	75.8	7.0
94	44	10	22	Eastman Kodak	10,771	10,600	11,184	923.0	1,683.0	124.7
416	209	201	138	Eaton	2,612	3,510	1,731	254.4	346.1	40.8
■	256	323	374	Jack Eckerd	1,203	2,829	1,082	90.6	131.1	34.2
■	■	391	■	EG&G	387	1,072	848	53.5	66.5	21.0
■	■	■	317	El Paso Electric	1,690	329	438	108.3	120.7	1.1
366	163	52	87	Emerson Electric	2,988	4,321	4,764	361.0	492.3	57.8
■	379	408	375	Emhart	1,060	1,795	813	90.4	125.8	29.2
■	283	440	■	Engelhard	863	2,511	753	46.3	79.5	6.7
330	203	299	295	Enserch	3,363	3,545	1,166	118.8	292.5	19.3
420	■	■	■	Equimark	2,594	323	21	−39.8	−35.1	2.3
342	■	■	■	Equitable Bancorp	3,271	357	128	26.3	31.3	2.6
■	■	■	433	Equitable Resources	762	552	433	74.2	93.4	2.4
418	319	340	280	Ethyl	2,599	2,167	1,032	123.5	207.8	12.0
■	445	■	■	Evans Products	896	1,424	50	NA	NA	15.1
7	1	2	2	Exxon	63,278	90,854	35,237	5,528.0	9,601.0	150.0
389	■	■	■	Farm & Home Savings	2,778	295	177	4.5	7.6	0.7
■	458	■	■	Farm House Foods	228	1,396	29	7.5	13.4	4.5
471	■	208	221	Farmers Group	2,275	894	1,685	159.8	178.0	12.6
■	478	■	■	Federal Co	366	1,333	277	42.4	76.9	11.0
■	402	223	429	Federal Express	1,776	1,713	1,613	75.3	215.2	18.4
3	61	346	■	Fedl Natl Mortgage	88,359	9,084	1,012	−57.4	−57.4	1.4
217	53	135	100	Federated Dept Stores	5,271	9,672	2,510	329.3	546.8	123.7
185	■	■	■	Fidelcor	5,975	645	240	42.2	63.4	3.4
455	■	■	■	Fifth Third Bancorp	2,363	241	289	34.6	37.2	1.7
31	223	■	■	Fin Corp of America	26,518	3,279	306	−603.5	−584.8	5.6
371	■	■	■	Fin Corp Santa Barbara	2,912	320	15	−21.3	−15.1	0.7
412	182	449	372	Firestone	2,627	3,966	733	91.0	227.0	60.1
321	■	■	■	First Alabama Bshs	3,504	375	336	43.8	52.2	3.6
278	■	■	■	First American	3,963	409	261	32.4	40.8	2.7
153	■	■	493	First Atlanta	7,003	739	407	60.5	72.8	4.6
41	298	457	266	First Bank System	22,438	2,350	720	131.1	158.0	9.5
34	342	473	411	First Boston	25,297	2,015	681	79.6	88.1	2.5
19	153	350	391	First Chicago	39,846	4,526	1,002	86.4	148.3	12.5
493	■	■	■	First Citizens	2,167	253	154	22.7	28.3	2.8
64	356	■	400	First City Bancorp	17,319	1,899	499	81.0	112.7	8.7
438	■	■	■	First Columbia Fincl	2,499	289	31	5.6	10.0	1.0
479	■	■	■	First Empire State	2,242	259	125	17.1	20.7	2.1
170	391	■	456	First Executive	6,320	1,755	517	67.1	67.1	.5
115	■	■	■	First Federal Mich	9,499	1,016	93	27.3	35.8	1.6
253	■	■	■	First Federal S & L	4,361	468	86	18.1	25.8	1.5
294	■	■	■	First Florida Banks	3,751	350	346	38.3	50.6	2.8
390	■	■	■	First Hawaiian	2,772	299	166	24.2	28.6	2.1
15	131	189	122	First Interstate Bancp	45,544	4,965	1,805	276.3	356.5	33.5
314	■	■	■	First Kentucky Natl	3,543	363	302	35.3	40.3	3.3
267	■	■	■	First Maryland Bancp	4,108	458	196	23.3	35.4	3.6
388	■	■	■	First Natl Cinc	2,780	296	265	29.7	36.4	1.8
95	■	■	4009	First Natl State Bancp	10,680	1,065	500	81.5	95.3	6.9
■	474	■	■	First Natl Supermkts	295	1,347	35	−7.0	10.5	12.9
257	■	■	■	First of America Bank	4,261	489	181	33.9	40.3	3.8

■ Not on 500 list. NA: not available.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
394	■	■	■	First Oklahoma Bancorp	2,733	329	97	−28.1	−21.6	1.4
212	■	■	■	First Pennsylvania	5,356	584	105	14.8	22.1	3.8
225	■	■	■	First Security	5,107	596	240	23.1	35.0	5.0
239	■	■	■	First Tennessee Natl	4,658	507	273	37.8	55.4	4.0
148	■	467	408	First Union	7,320	828	694	80.0	91.9	5.5
402	■	■	■	First Virginia Banks	2,687	319	274	35.0	41.3	3.5
204	■	■	■	First Wisconsin	5,516	589	210	31.9	44.9	4.7
196	■	■	465	Fleet Financial	5,748	730	444	65.0	90.5	4.8
■	471	■	■	Fleetwood Enterprises	372	1,356	615	58.9	65.4	10.1
■	118	475	■	Fleming Cos	939	5,512	677	49.6	75.9	13.0
227	■	■	■	Florida Federal S&L'	5,019	506	148	9.0	12.5	1.5
211	■	■	■	Florida Natl Banks	5,357	589	348	42.6	55.6	4.4
337	472	334	300	Florida Progress	3,315	1,350	1,047	115.8	286.1	5.3
295	171	300	■	Fluor	3,751	4,211	1,165	−48.0	151.8	33.1
446	220	248	■	FMC	2,400	3,338	1,430	38.0	178.2	26.9
■	438	427	■	Food Lion	331	1,470	769	37.3	54.0	11.4
30	4	20	4	Ford Motor	27,449	52,366	8,491	2,906.8	5,214.6	383.7
■	477	179	260	Fort Howard Paper	1,265	1,339	1,872	133.1	204.9	14.3
■	479	■	■	Foster Wheeler	897	1,327	382	35.4	52.8	14.2
137	183	126	109	FPL Group	8,161	3,941	2,646	302.7	642.3	13.1
■	■	307	361	Freeport-McMoRan	1,907	842	1,133	94.2	248.5	4.8
■	257	■	396	Fruehauf	1,701	2,788	431	85.2	180.8	26.8
■	349	72	158	Gannett	1,812	1,960	3,768	223.9	314.4	27.7
434	■	■	■	GATX	2,514	847	441	36.7	121.5	6.5
■	■	320	338	Geico	1,907	995	1,088	100.4	106.3	4.4
429	■	■	■	Gelco	2,541	987	231	18.8	306.0	7.2
■	265	446	■	GenCorp	2,037	2,727	735	7.2	128.4	28.0
■	■	491	303	General Cinema	912	934	658	115.3	152.1	12.0
364	72	97	85	General Dynamics	3,035	7,839	3,003	381.7	571.1	95.8
35	11	3	5	General Electric	24,730	27,947	25,757	2,280.0	3,380.0	330.0
250	62	124	98	General Foods	4,400	8,915	2,664	337.5	493.1	57.5
■	■	■	370	General Host	546	564	222	92.1	111.2	10.8
341	114	142	193	General Mills	3,285	5,649	2,253	188.9	321.2	80.7
12	2	4	3	General Motors	52,001	83,890	24,723	4,516.5	9,482.2	748.0
174	264	455	275	General Public Utils	6,216	2,735	723	128.5	380.0	13.0
183	369	110	438	General Re	6,053	1,842	2,874	72.2	72.9	2.8
■	381	263	315	General Signal	1,438	1,787	1,344	108.5	156.0	23.8
■	307	203	290	Genuine Parts	948	2,304	1,725	119.7	136.6	13.4
465	■	■	■	Georgia Federal Bank	2,311	252	83	3.6	3.6	0.9
235	88	133	294	Georgia-Pacific	4,785	6,682	2,563	119.0	401.0	39.5
■	328	■	■	Giant Food	521	2,079	423	42.2	73.0	16.8
118	■	■	■	Gibraltar Financial	9,273	938	157	31.0	38.9	2.0
■	310	197	223	Gillette	2,024	2,289	1,745	159.3	234.4	30.4
86	487	■	■	Glendale Federal S&L	11,663	1,305	187	46.0	83.5	3.9
96	■	■	402	Golden West Finl	10,620	1,055	492	80.9	101.6	2.2
414	215	■	491	BF Goodrich	2,622	3,438	605	60.6	189.8	29.1
176	47	116	77	Goodyear	6,194	10,241	2,769	411.0	720.0	133.3
■	456	369	■	Gould	1,453	1,399	922	17.8	92.4	20.1
214	86	172	183	WR Grace	5,328	6,728	1,929	195.6	520.4	79.3
■	■	400	451	WW Grainger	654	1,059	828	68.9	89.5	6.1

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Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
162	■	■	■	Gr Amer First Savings	6,720	706	167	20.2	30.8	2.1
■	107	■	■	Great Atl & Pac Tea	1,345	5,878	602	50.8	114.4	46.5
497	■	■	■	Great Lakes Fedl S&L	2,121	228	25	6.9	12.5	0.7
■	362	377	289	Gt Northern Nekoosa	1,964	1,873	889	119.9	206.5	13.0
40	251	345	363	Gt Western Financial	23,555	2,869	1,015	93.9	119.4	7.6
202	263	303	283	Greyhound	5,527	2,739	1,150	122.0	174.1	35.4
■	273	424	316	Grumman	1,445	2,604	776	108.4	153.1	29.9
32	29	21	17	GTE	26,364	14,547	8,297	1,079.8	3,020.6	184.9
382	■	■	■	Guarantee Finl Cal	2,843	281	38	3.0	6.8	1.2
99	115	165	167	Gulf & Western Inds	10,300	5,596	1,991	213.5	272.8	69.0
231	431	281	136	Gulf States Utilities	4,887	1,547	1,228	258.2	370.5	5.0
213	119	94	99	Halliburton	5,352	5,446	3,092	329.6	698.2	70.4
■	365	■	■	Hammermill Paper	1,095	1,855	437	55.9	109.6	12.4
■	317	319	373	Harris Corp	1,879	2,188	1,091	90.7	199.4	29.1
177	■	■	■	Hartford National	6,192	633	387	58.6	71.2	4.4
427	178	106	132	HJ Heinz	2,552	4,088	2,927	260.5	336.4	44.0
448	277	188	178	Hercules	2,389	2,571	1,811	197.2	303.3	25.2
■	359	288	314	Hershey Foods	1,123	1,893	1,210	108.7	153.9	14.8
223	95	19	45	Hewlett-Packard	5,131	6,297	8,702	564.0	813.0	77.0
■	■	249	305	Hilton Hotels	1,164	647	1,423	114.0	156.0	31.5
457	387	237	267	Holiday Inns	2,348	1,760	1,522	131.0	252.6	49.0
126	■	■	489	Home Federal S&L-Cal	8,886	964	394	61.0	81.2	3.2
■	■	331	■	Homestake Mining	693	289	1,061	29.2	68.6	2.3
236	102	103	148	Honeywell	4,760	6,074	2,955	239.0	553.1	93.9
405	■	■	■	Horizon Bancorp	2,685	298	219	26.6	33.9	2.6
■	441	■	■	George A Hormel	531	1,459	293	26.7	54.1	6.9
234	210	88	113	Hospital Corp of Amer	4,829	3,499	3,325	296.8	489.0	71.0
103	64	214	153	Household Intl	10,041	8,322	1,644	234.1	503.7	81.1
145	175	144	86	Houston Industries	7,642	4,182	2,238	366.3	582.2	11.2
299	344	266	309	Houston Natural Gas	3,732	2,008	1,316	113.0	228.9	3.1
■	■	439	■	Hughes Tool	1,818	1,216	754	−133.8	−7.6	12.7
410	343	141	175	Humana	2,644	2,008	2,279	199.2	326.9	42.3
200	■	■	■	Huntington Bancshs	5,574	628	305	43.7	52.8	4.3
57	258	434	■	EF Hutton Group	18,153	2,787	759	38.4	68.6	16.3
233	168	262	282	IC Industries	4,840	4,224	1,346	122.8	265.2	47.3
■	■	500	341	Idaho Power	1,586	428	636	100.0	141.0	1.7
277	491	264	150	Illinois Power	3,965	1,281	1,339	235.5	307.7	4.1
■	■	463	497	Illinois Tool Works	484	592	708	60.0	85.7	7.7
132	■	■	■	Imperial Corp of Amer	8,465	816	133	1.6	7.3	2.1
331	■	■	■	Indiana National	3,359	344	173	29.9	35.2	2.0
488	288	375	■	Ingersoll-Rand	2,203	2,478	903	58.9	137.7	32.7
417	222	■	■	Inland Steel	2,608	3,325	584	−45.8	80.9	26.9
■	420	92	177	Intel	2,029	1,629	3,187	198.2	312.0	23.5
■	271	392	385	Interco	1,585	2,669	842	88.0	132.8	51.5
46	296	470	297	InterFirst	21,617	2,367	687	117.9	163.9	10.5
■	■	251	478	Intergraph	352	404	1,416	62.9	70.6	3.1
17	6	1	1	IBM	42,808	45,937	75,437	6,582.0	10,055.0	382.2
■	■	342	450	Intl Flavors & Frag	452	477	1,028	69.2	82.4	3.7
428	202	■	■	Intl Harvester	2,545	3,548	484	−983.9	−886.1	31.8
■	424	349	359	Intl Minerals & Chem	1,988	1,604	1,003	94.5	221.8	8.7

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
193	145	120	288	International Paper	5,795	4,716	2,691	120.1	369.0	33.0
181	80	183	113	InterNorth	6,122	7,510	1,854	296.8	585.2	10.1
■	■	■	491	Iowa-Illinois G&E	1,135	569	338	60.6	110.0	1.5
■	■	■	434	Ipalco Enterprises	1,560	459	584	73.6	118.5	2.2
54	320	■	348	Irving Bank	18,982	2,143	566	98.1	131.4	9.6
25	20	64	91	ITT	31,341	19,285	4,105	349.4	822.1	252.5
■	281	■	■	IU International	1,347	2,515	442	7.9	104.1	37.0
■	279	395	344	James River Corp Va	1,627	2,524	835	99.3	165.8	19.8
322	■	278	203	Jefferson-Pilot	3,498	961	1,235	178.1	180.8	5.5
400	309	483	325	Jim Walter	2,693	2,297	670	105.2	146.3	19.1
244	100	37	53	Johnson & Johnson	4,541	6,125	6,605	514.5	740.8	75.8
■	437	■	455	Johnson Controls	1,016	1,470	584	67.3	111.2	21.0
120	15	61	56	K mart	9,262	21,096	4,405	499.0	801.9	270.0
315	232	499	■	Kaiser Alum & Chem	3,532	3,193	640	−53.9	58.3	16.2
445	■	■	233	Kansas City Power & Light	2,425	583	591	151.4	192.0	2.9
494	■	■	284	Kansas Gas & Elec	2,151	411	630	121.9	154.3	2.1
■	436	■	377	Kansas Power & Light	1,674	1,480	567	89.8	148.4	4.6
■	275	136	139	Kellogg	1,667	2,602	2,463	250.5	314.4	17.8
152	308	■	■	Kemper	7,075	2,302	625	19.7	19.7	14.9
■	■	■	453	Kentucky Utilities	1,160	531	459	68.3	113.1	1.9
290	205	243	465	Kerr-McGee	3,771	3,537	1,471	65.0	377.0	9.6
199	■	■	■	Key Banks	5,621	548	326	50.8	61.6	4.7
■	305	■	414	Kidde	1,678	2,312	592	79.1	128.3	32.0
354	199	147	161	Kimberly-Clark	3,173	3,616	2,177	217.5	342.8	34.6
■	414	174	242	Knight-Ridder News	1,348	1,665	1,903	140.8	199.1	21.9
■	372	■	■	Koppers	1,167	1,817	514	28.8	108.8	15.6
301	23	190	227	Kroger	3,687	15,923	1,770	156.6	347.3	160.5
293	■	■	■	Landmark Banking Fla	3,759	435	285	34.0	43.2	3.8
■	302	415	367	Lear Siegler	1,484	2,322	802	92.4	146.4	25.4
■	473	■	■	Leaseway Transportation	1,087	1,349	353	30.5	236.9	17.0
■	282	366	■	Levi Strauss	1,421	2,514	932	41.4	89.2	40.5
■	389	■	445	Libbey-Owens-Ford	1,071	1,756	507	70.6	121.8	19.3
305	237	53	62	Eli Lilly	3,644	3,109	4,722	490.2	610.9	29.0
■	475	225	366	Limited	567	1,343	1,608	92.5	127.0	16.5
77	161	228	222	Lincoln National	12,604	4,345	1,592	159.4	187.2	12.9
249	146	119	117	Litton Industries	4,478	4,652	2,725	291.7	453.3	67.4
355	68	113	93	Lockheed	3,166	8,113	2,846	344.1	489.0	76.6
78	127	112	123	Loews	12,557	5,221	2,853	273.1	329.0	23.0
156	348	436	74	Long Island Lighting	6,901	1,974	758	427.8	492.6	5.4
■	462	■	■	Longs Drug Stores	361	1,376	472	40.1	40.1	9.2
■	■	388	354	Louisiana Land	1,546	1,234	859	95.3	337.8	1.2
■	■	442	■	Louisiana-Pacific	1,315	1,230	752	42.2	132.9	12.5
■	■	■	416	Louisville Gas & Elec	1,462	676	483	79.0	121.3	3.5
■	410	376	485	Lowe's Companies	635	1,689	897	61.4	76.2	9.7
154	84	401	■	LTV	6,926	7,046	827	−378.2	−169.5	48.0
■	■	394	453	Lubrizol	702	844	836	67.7	106.4	4.2
■	59	373	358	Lucky Stores	1,871	9,237	909	94.6	179.3	66.0
■	■	396	■	M/A-Com	757	797	834	39.9	79.8	10.0
■	325	■	470	Mack Trucks	1,174	2,106	429	64.6	92.6	13.9
462	164	156	166	RH Macy	2,318	4,295	2,088	213.8	307.6	51.5

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
5	65	241	89	**Manufacturers Hanover**	75,714	8,315	1,488	352.5	431.6	30.3
173	■	■	■	**Manufacturers National**	6,216	635	235	38.4	47.8	3.8
459	374	■	423	**Manville**	2,339	1,814	141	77.2	156.6	20.4
■	338	411	276	**Mapco**	1,793	2,032	804	125.6	291.7	5.7
397	■	■	■	**Marine**	2,717	303	101	19.0	23.7	2.0
45	274	■	375	**Marine Midland Banks**	22,056	2,603	544	90.4	115.9	11.8
■	■	419	■	**Marion Laboratories**	191	253	793	29.0	36.2	1.8
373	206	169	246	**Marriott**	2,905	3,525	1,951	139.8	238.9	114.8
■	■	151	■	**Marsh & McLennan Cos**	827	1,101	2,143	58.7	88.7	16.5
279	■	■	■	**Marshall & Ilsley**	3,958	409	271	34.7	42.3	3.2
482	185	230	■	**Martin Marietta**	2,224	3,920	1,572	−191.8	−78.2	43.0
149	■	■	■	**Maryland National**	7,286	739	343	49.0	61.2	4.8
■	■	221	299	**Masco**	1,296	1,020	1,623	115.9	149.6	10.0
362	142	215	165	**May Dept Stores**	3,047	4,762	1,640	214.1	323.0	72.6
■	■	■	476	**Maytag**	330	643	607	63.1	77.1	4.8
■	416	173	357	**MCA**	1,944	1,651	1,928	94.9	639.4	17.7
261	219	59	83	**McDonald's**	4,230	3,366	4,510	389.1	599.3	139.0
178	54	107	101	**McDonnell Douglas**	6,191	9,663	2,892	325.3	562.9	81.4
■	397	■	■	**McGraw-Edison**	1,417	1,721	634	10.8	66.4	20.0
■	455	148	236	**McGraw-Hill**	1,177	1,402	2,151	144.2	179.0	14.3
282	350	192	■	**MCI Communications**	3,894	1,959	1,760	59.2	323.8	7.4
■	143	479	472	**McKesson**	1,550	4,736	671	63.9	107.0	11.1
■	■	■	484	**McLean Industries**	1,527	959	431	61.6	102.3	3.5
50	421	385	319	**MCorp**	20,697	1,628	870	107.7	126.3	9.4
487	266	332	247	**Mead**	2,205	2,720	1,057	139.3	260.8	17.0
27	241	274	224	**Mellon Bank**	30,603	3,062	1,247	158.5	196.5	14.8
■	157	168	191	**Melville**	1,611	4,424	1,969	190.4	249.8	70.7
189	■	■	■	**Mercantile Bancorp**	5,944	598	324	46.1	55.6	4.0
470	■	■	■	**Mercantile Bankshrs**	2,275	269	283	33.6	39.0	2.4
■	406	397	397	**Mercantile Stores**	997	1,707	833	84.8	123.5	19.5
456	■	■	■	**Merchants National**	2,354	264	90	12.3	16.3	1.4
242	201	36	58	**Merck**	4,591	3,560	6,778	493.0	655.1	33.7
207	■	■	■	**Meridian Bancorp**	5,494	509	270	41.3	49.1	3.3
26	106	129	354	**Merrill Lynch**	30,840	5,911	2,594	95.3	204.0	43.2
280	■	284	126	**Mesa Petroleum**	3,956	410	1,222	270.2	425.3	0.7
160	■	■	■	**Michigan National**	6,769	846	196	21.4	46.1	6.7
311	174	275	229	**Midcon**	3,587	4,186	1,246	155.6	396.9	5.4
79	234	127	60	**Middle South Utils**	12.556	3,146	2,601	490.8	683.3	13.2
151	■	■	465	**Midlantic Banks**	7,177	715	469	65.0	78.4	5.0
491	■	■	■	**Midwest Financial Group**	2,177	204	61	7.4	11.9	1.7
182	76	18	32	**Minn Mining & Mfg**	6,094	7,705	9,144	733.0	1,136.0	86.2
■	■	443	■	**Mitchell Energy & Dev**	2,061	915	748	35.7	175.5	3.5
18	3	11	14	**Mobil**	41,851	56,047	11,059	1,268.0	3,605.0	178.5
■	444	■	■	**Monfort of Colorado**	251	1,430	80	15.8	27.8	3.6
167	87	83	72	**Monsanto**	6,373	6,691	3,444	439.0	888.0	49.8
367	■	■	■	**Moore Financial**	2,960	348	165	21.8	26.7	2.5
6	91	89	49	**JP Morgan**	64,126	6,562	3,279	537.6	572.6	13.0
■	341	■	■	**Morrison-Knudsen**	830	2,022	343	43.6	71.1	20.2
■	351	253	297	**Morton Thiokol**	1,340	1,953	1,398	117.9	178.0	17.7
263	117	67	84	**Motorola**	4,194	5,534	4,009	387.0	740.0	94.4

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Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
404	318	361	353	Murphy Oil	2,685	2,169	948	96.1	358.1	5.9
292	97	101	106	Nabisco Brands	3,761	6,253	2,972	308.9	455.0	69.0
■	■	339	425	Nalco Chemical	479	664	1,036	76.2	109.0	4.7
408	■	■	■	Natl Bancshares Texas	2,666	301	194	25.3	29.7	1.8
■	354	■	■	National Can	884	1,911	299	40.7	84.2	11.4
83	■	■	461	National City	12,373	826	529	65.9	75.2	6.6
■	352	420	■	National Distillers	1,890	1,936	787	50.9	130.5	11.9
■	398	■	322	National Gypsum	966	1,718	601	106.8	155.3	12.9
112	113	■	■	National Intergroup	9,614	5,663	567	45.3	124.0	17.7
425	313	212	258	Natl Medical Entrprs	2,557	2,244	1,650	133.9	233.2	53.0
■	370	335	■	Natl Semiconductor	1,459	1,830	1,046	57.6	191.9	38.7
■	■	486	478	National Service Inds	561	1,108	662	62.9	86.9	17.6
73	461	■	359	NBD Bancorp	14,232	1,378	609	94.5	110.3	7.1
69	417	316	293	NCNB	15,679	1,643	1,099	119.2	142.1	8.5
310	179	125	94	NCR	3,589	4,074	2,653	342.6	591.8	62.0
325	435	365	232	New England Electric	3,441	1,486	942	151.6	302.3	5.0
298	■	289	171	NY State Elec & Gas	3,733	1,129	1,198	211.4	276.6	4.4
■	■	235	340	New York Times	869	1,230	1,530	100.2	146.0	8.6
496	■	321	■	Newmont Mining	2,133	770	1,088	37.2	105.0	7.1
171	259	161	88	Niagara Mohawk Power	6,233	2,786	2,030	359.7	518.5	10.6
449	291	418	■	Nicor	2,385	2,419	794	−182.3	−15.0	5.6
■	468	472	■	NL Industries	1,663	1,360	681	−141.1	−22.7	12.8
130	207	74	67	Norfolk Southern	8,667	3,525	3,689	482.2	727.4	38.0
141	■	■	422	Norstar Bancorp	7,909	731	610	77.3	96.3	6.5
432	162	313	269	North Amer Philips	2,518	4,326	1,107	130.5	218.5	57.0
272	■	■	■	Northeast Savings	4,028	389	39	−.5	10.7	1.5
206	327	240	120	Northeast Utilities	5,507	2,095	1,490	288.9	418.2	9.0
288	346	405	244	No Indiana Pub Svc	3,787	2,001	817	140.5	275.4	5.9
296	385	268	187	No States Power	3,742	1,776	1,293	192.1	387.3	7.3
150	■	■	■	Northern Trust	7,225	754	290	22.4	34.3	4.4
■	195	219	214	Northrop	1,957	3,688	1,625	166.9	305.0	39.4
■	451	358	421	Northwest Industries	1,525	1,414	975	77.5	134.5	29.8
392	■	■	■	Northwestern Finl	2,756	324	202	25.0	33.0	3.0
454	■	■	■	Northwestern Natl Life	2,348	1,061	266	13.1	13.1	2.1
■	■	462	494	Norton	1,060	1,210	710	60.4	111.3	18.9
48	269	484	449	Norwest	21,346	2,683	668	69.5	111.5	16.8
■	493	■	■	NVF	1,178	1,276	93	−147.5	−104.5	9.1
■	289	378	389	NWA	1,754	2,445	886	86.9	254.1	14.7
51	58	28	19	Nynex	19,853	9,507	7,462	986.4	2,188.2	105.9
85	24	121	43	Occidental Petroleum	12,273	15,586	2,687	568.7	1,569.3	41.0
■	321	■	■	Ogden	1,109	2,137	538	39.5	85.7	45.5
163	418	211	97	Ohio Edison	6,690	1,637	1,650	339.3	481.6	7.7
489	■	364	308	Oklahoma Gas & Elec	2,202	1,029	944	113.3	183.0	4.0
273	■	■	■	Old Kent Financial	4,025	444	257	45.1	53.7	3.0
413	■	■	■	Old Stone	2,625	302	93	18.4	26.7	1.5
■	332	471	382	Olin	1,822	2,065	687	88.7	233.6	18.0
■	246	363	306	Owens-Corning Fbrgls	1,732	3,021	946	113.9	232.1	23.7
352	204	292	255	Owens-Illinois	3,183	3,543	1,190	135.8	303.5	45.0
■	312	410	277	Paccar	1,002	2,249	809	125.3	145.1	9.3
63	73	45	20	Pacific Gas & Elec	17,327	7,830	5,189	974.9	1,426.0	27.8

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Ranking The Forbes 500s

Where they rank: 1984 Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
259	140	224	249	**Pacific Lighting**	4,243	4,782	1,612	138.6	305.2	11.8
■	413	■	■	**Pacific Resources**	539	1,671	85	1.2	11.5	0.8
58	74	33	28	**Pacific Telesis Group**	18,077	7,824	6,890	828.5	1,912.5	87.3
238	382	234	144	**PacifiCorp**	4,736	1,786	1,531	244.6	458.2	9.3
84	429	■	■	**Paine Webber Group**	12,288	1,550	452	9.8	27.0	10.7
409	196	■	■	**Pan Am Corp**	2,645	3,685	478	−206.8	.9	27.1
210	230	222	215	**Panhandle Eastern**	5,369	3,212	1,621	166.5	369.4	6.6
■	453	390	394	**Parker-Hannifin**	903	1,406	854	85.8	130.9	20.6
391	278	176	210	**Penn Central**	2,766	2,569	1,881	170.0	290.9	34.6
136	33	82	73	**JC Penney**	8,170	13,451	3,449	435.0	668.0	177.5
155	428	180	103	**Penn Power & Light**	6,911	1,563	1,872	318.9	476.3	8.3
346	299	166	269	**Pennzoil**	3,243	2,349	1,988	130.5	511.1	8.7
492	■	■	■	**Peoples Bancorp**	2,173	251	101	15.1	24.0	2.2
■	405	■	430	**Peoples Energy**	1,333	1,708	496	75.2	117.5	3.6
229	77	66	168	**PepsiCo**	4,950	7,699	4,026	212.5	468.7	152.0
■	■	302	413	**Perkin-Elmer**	1,062	1,256	1,153	79.2	119.0	14.9
■	■	489	■	**Petrie Stores**	784	838	659	48.1	67.9	9.1
271	188	34	54	**Pfizer**	4,047	3,855	6,792	507.9	634.7	39.9
9	10	55	170	**Phibro-Salomon**	58,370	28,911	4,634	212.0	236.0	6.9
114	247	138	59	**Philadelphia Electric**	9,556	2,981	2,414	492.4	670.7	10.6
117	48	16	24	**Philip Morris**	9,339	10,138	9,787	888.5	1,264.0	68.0
66	25	32	29	**Phillips Petroleum**	16,965	15,537	6,920	810.0	1,724.0	28.9
■	490	■	■	**Piedmont Aviation**	1,189	1,283	381	58.2	143.8	11.6
395	152	171	190	**Pillsbury**	2,732	4,534	1,933	191.2	327.9	67.8
■	■	341	206	**Pioneer**	854	462	1,030	175.5	226.0	1.6
■	■	343	435	**Pioneer Hi-Bred Intl**	858	720	1,022	72.5	96.8	2.8
■	395	270	250	**Pitney Bowes**	1,614	1,732	1,275	138.2	224.6	27.2
■	498	■	■	**Pittston**	959	1,264	365	−26.1	30.4	14.1
72	433	347	239	**PNC Financial**	14,870	1,499	1,009	143.2	160.2	6.8
■	496	387	■	**Polaroid**	1,346	1,272	859	25.7	76.5	13.6
452	■	450	225	**Portland General Elec**	2,374	722	732	158.4	253.7	3.2
376	■	291	213	**Potomac Elec Power**	2,894	1,198	1,192	168.2	270.0	5.4
287	167	140	110	**PPG Industries**	3,797	4,242	2,300	302.6	512.2	37.7
■	469	362	■	**Price Co**	356	1,359	947	34.0	37.3	3.1
■	334	■	■	**Primark**	1,384	2,042	313	49.5	107.6	4.1
■	■	386	498	**Prime Computer**	502	643	864	59.7	99.5	6.6
102	34	17	31	**Procter & Gamble**	10,054	13,394	9,530	763.0	1,107.0	61.7
255	459	458	347	**Provident Life & Acc**	4,314	1,384	719	98.7	110.1	4.2
74	457	■	440	**PSFS**	13,723	1,398	302	72.0	123.9	2.5
380	376	352	235	**Public Service Colo**	2,862	1,802	1,000	145.2	252.9	6.9
232	■	■	395	**Public Service Indiana**	4,860	910	377	85.5	170.2	4.6
424	■	■	227	**Public Service NH**	2,565	526	139	156.6	179.3	2.3
419	■	381	263	**Public Service NM**	2,599	445	881	132.8	185.6	2.8
109	172	96	63	**Public Svc Elec & Gas**	9,661	4,196	3,011	490.0	789.9	13.5
485	■	497	356	**Puget Sound Pwr & Lt**	2,212	657	643	95.1	158.9	2.4
■	212	232	262	**Quaker Oats**	1,698	3,496	1,557	132.9	211.0	26.8
■	■	■	482	**Questar**	991	687	539	62.0	110.4	2.9
143	■	■	485	**Rainier Bancorp**	7,762	812	472	61.4	72.6	5.4
399	126	100	143	**Ralston Purina**	2,701	5,231	2,986	244.7	364.2	52.8
309	105	87	146	**Raytheon**	3,600	5,996	3,385	243.2	416.8	74.7

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Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
134	49	102	130	RCA	8,221	10,112	2,964	265.3	879.1	108.0
■	430	■	■	Republic Airlines	1,085	1,547	165	13.7	87.7	13.8
82	■	474	352	Republic New York	12,382	1,131	679	96.5	104.3	2.3
47	315	437	253	RepublicBank	21,595	2,205	756	137.3	174.7	8.4
■	300	379	398	Revco DS	899	2,331	883	84.4	109.3	23.2
463	292	265	310	Revlon	2,311	2,399	1,317	112.1	184.9	30.2
119	50	29	16	RJ Reynolds Inds	9,272	9,915	7,441	1,184.0	1,456.0	96.2
289	193	456	267	Reynolds Metals	3,783	3,728	722	131.0	284.0	28.8
■	■	494	424	Richardson-Vicks	967	1,244	648	76.5	99.6	11.0
224	■	■	■	Riggs National	5,120	586	199	26.9	32.2	1.9
473	■	■	■	RIHT Financial	2,265	263	107	16.7	20.3	1.9
■	454	336	403	Rite Aid	662	1,403	1,045	80.7	103.5	15.0
■	440	285	341	Roadway Services	913	1,462	1,217	100.0	152.2	19.6
■	■	■	329	Rochester Gas & Elec	1,674	784	485	103.6	161.7	2.6
194	55	60	47	Rockwell Intl	5,791	9,658	4,491	545.1	858.1	104.2
■	335	229	208	Rohm & Haas	1,633	2,042	1,582	172.2	265.1	11.6
■	■	441	■	Rubbermaid	368	566	753	46.9	67.9	4.2
385	287	305	254	Ryder System	2,810	2,486	1,146	135.9	425.5	22.4
283	368	282	346	Safeco	3,884	1,845	1,224	99.1	99.1	10.5
245	18	220	198	Safeway Stores	4,537	19,642	1,624	185.0	480.3	165.3
215	297	324	■	St Paul Cos	5,327	2,359	1,075	–214.8	–204.1	9.8
368	422	277	199	San Diego Gas & Elec	2,951	1,621	1,237	183.5	298.7	4.9
■	■	469	■	Sanders Associates	542	838	688	39.6	67.2	10.0
87	89	56	60	Santa Fe Southern	11,649	6,662	4,612	490.8	1,042.5	65.1
361	78	196	176	Sara Lee	3,053	7,567	1,745	198.9	324.0	92.1
437	■	360	285	Scana	2,500	1,128	952	121.8	215.7	4.2
432	361	187	204	Schering-Plough	2,518	1,874	1,826	177.2	235.5	24.2
■	326	■	■	SCM	1,288	2,102	415	37.2	88.2	22.7
■	446	■	■	SCOA Industries	506	1,424	405	41.0	58.0	20.0
336	253	210	195	Scott Paper	3,322	2,847	1,670	187.0	350.6	20.8
■	388	■	405	Sea-Land	1,811	1,759	435	80.5	181.9	8.8
■	■	90	218	GD Searle	1,641	1,246	3,219	161.6	205.9	10.1
10	7	9	13	Sears, Roebuck	57,073	38,828	11,481	1,323.4	1,735.8	454.0
14	128	177	119	Security Pacific	46,117	5,134	1,881	291.0	370.6	28.6
■	415	■	■	Service Merchandise	867	1,657	380	44.6	69.6	17.0
■	■	490	■	Shared Medical System	193	255	659	33.8	51.4	2.3
164	■	■	■	Shawmut	6,509	678	320	43.6	57.2	5.2
38	16	6	7	Shell Oil	23,729	20,701	17,195	1,772.0	3,370.0	34.9
■	329	■	465	Sherwin-Williams	1,004	2,075	631	65.0	89.9	19.4
■	■	476	■	Shoney's	284	490	677	322	54.7	18.0
205	104	77	121	Signal Cos	5,511	6,005	3,616	285.0	399.0	54.0
■	280	■	■	Singer	1,470	2,519	502	50.3	112.5	52.5
350	249	63	55	SmithKline Beckman	3,194	2,949	4,142	500.3	609.4	30.9
■	■	464	499	Snap-On Tools	419	540	708	59.6	70.8	5.7
192	■	■	■	Society	5,835	603	314	43.6	51.8	3.8
307	276	259	164	Sonat	3,640	2,591	1,370	215.7	433.9	6.7
269	■	■	■	South Carolina Natl	4,078	300	313	33.1	42.7	3.4
105	■	■	471	Southeast Banking	9,869	1,026	407	64.1	93.2	7.1
93	136	51	33	Southern Calif Edison	11,359	4,843	4,836	732.4	1,131.0	16.6
67	101	54	34	Southern Company	16,763	6,124	4,720	719.7	1,286.7	31.0

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
472	494	325	279	So New England Tel	2,270	1,273	1,073	124.6	290.4	12.9
334	38	269	220	Southland	3,340	11,661	1,277	160.3	326.0	61.3
■	■	■	420	Southmark	1,285	538	236	77.8	88.0	2.7
327	■	■	■	SouthTrust	3,423	364	266	34.5	39.3	2.6
■	■	493	■	Southwest Airlines	646	536	650	49.7	84.6	3.7
59	83	31	26	Southwestern Bell	18,042	7,191	7,042	883.1	2,024.4	71.9
■	■	398	311	Southwestern Pub Svc	1,491	814	833	111.6	158.8	2.4
133	■	487	407	Sovran Financial	8,287	912	661	80.2	100.3	8.1
197	122	139	128	Sperry	5,741	5,370	2,347	267.6	487.2	75.5
■	466	308	324	Square D	1,021	1,366	1,132	106.2	148.4	21.9
495	360	109	178	Squibb	2,134	1,886	2,878	197.2	233.7	23.5
■	314	■	■	Staley Continental	1,672	2,209	581	35.9	111.7	4.5
33	13	7	6	Standard Oil Indiana	25,734	26,949	14,352	2,183.0	4,273.0	55.2
62	37	15	10	Standard Oil Ohio	17,487	11,692	9,868	1,488.0	2,550.0	44.1
■	■	466	436	Stanley Works	721	1,158	696	72.4	108.5	14.4
237	■	■	■	State Street Boston	4,744	482	378	49.0	54.9	3.8
■	442	432	■	Stauffer Chemical	2,060	1,456	761	−2.4	138.8	10.7
■	371	200	238	Sterling Drug	1,459	1,827	1,739	143.4	181.5	23.0
■	225	■	■	Stop & Shop Cos	933	3,247	574	54.8	107.9	35.5
■	■	431	■	Storer Communication	1,242	537	762	−16.7	92.1	4.8
90	■	318	344	Student Loan Mktg	11,620	1,215	1,092	99.3	100.8	0.7
■	■	465	476	Subaru of America	347	1,201	701	63.1	67.0	0.7
372	■	■	■	Suburban Bancorp	2,906	290	232	26.9	33.5	1.8
393	■	■	■	Sumitomo Bank Cal	2,752	296	77	10.7	15.4	1.6
116	■	482	469	Sun Banks	9,402	1,036	670	64.9	88.3	9.5
76	30	44	48	Sun Company	12,789	14,466	5,195	538.0	1,297.0	37.4
■	■	403	459	Sundstrand	1,090	1,042	823	66.4	128.2	15.2
498	■	■	■	Sunwest Financial	2,112	237	152	20.4	25.5	1.8
■	476	■	■	Super Food Services	165	1,342	79	7.9	13.5	1.9
■	94	298	323	Super Valu Stores	1,243	6,413	1,171	106.5	159.5	22.9
■	160	■	■	Supermarkets General	986	4,347	601	52.4	109.5	40.0
■	244	■	■	Swift Independent	329	3,050	125	6.1	20.2	7.0
■	286	451	■	Sysco	637	2,492	727	48.3	71.8	7.9
■	■	488	■	Tambrands	269	390	660	56.5	62.9	2.8
■	■	417	■	Tandem Computers	514	566	798	46.8	72.1	4.8
■	262	152	152	Tandy	1,873	2,745	2,140	234.9	283.9	33.0
■	■	414	349	TECO Energy	1,921	717	802	97.7	154.0	4.0
■	■	■	444	Tecumseh Products	556	902	473	70.7	93.7	10.3
■	448	310	265	Tektronix	1,158	1,420	1,120	131.5	207.6	20.9
■	■	353	■	Tele-Communications	1,587	449	987	17.4	99.9	4.3
198	135	108	127	Teledyne	5,714	4,860	2,880	269.5	376.1	47.0
■	■	459	■	Telerate	166	123	719	30.4	43.3	0.3
■	499	374	334	Temple-Inland	1,364	1,263	908	102.7	165.8	9.6
56	27	40	38	Tenneco	18,205	14,890	5,515	631.0	1,764.0	97.5
■	250	■	■	Tesoro Petroleum	1,055	2,926	137	12.6	69.2	3.1
22	5	24	108	Texaco	37,744	47,334	8,110	306.0	3,129.0	61.4
■	464	■	■	Texas Air	1,324	1,372	130	27.8	109.6	11.9
184	■	■	■	Texas American Bshs	6,033	664	363	43.0	61.1	3.5
49	330	273	200	Texas Commerce Bshs	20,732	2,067	1,266	183.3	223.3	8.0
195	99	231	169	Texas Eastern	5,757	6,194	1,558	212.4	572.3	10.5

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	**Sales**	**Market value**	**Net profits**	**Company**	**Assets ($mil)**	**Sales ($mil)**	**Market value ($mil)**	**Net profits ($mil)**	**Cash flow ($mil)**	**Number employed (thou)**
326	110	104	105	**Texas Instruments**	3,423	5,742	2,942	316.0	738.6	83.6
319	336	73	90	**Texas Oil & Gas**	3,511	2,035	3,757	349.9	600.1	3.5
108	184	86	51	**Texas Utilities**	9,759	3,932	3,391	526.0	752.2	16.2
486	228	306	307	**Textron**	2,210	3,221	1,145	113.5	182.4	42.0
260	■	■	■	**Third National**	4,231	462	287	38.6	52.8	3.1
■	481	■	■	**Thrifty Corp**	528	1,321	397	28.5	44.9	14.0
415	240	128	162	**Time Inc**	2,615	3,067	2,598	216.4	327.0	18.0
426	260	115	155	**Times Mirror**	2,555	2,771	2,775	232.7	385.0	29.1
379	■	495	230	**Toledo Edison**	2,865	551	647	153.5	203.4	2.4
466	■	■	■	**Toledo Trustcorp**	2,301	224	160	21.3	24.9	1.6
339	■	326	272	**Torchmark**	3,297	1,127	1,070	129.1	129.1	6.3
■	356	■	■	**Tosco**	695	1,899	24	−210.7	−182.8	1.9
■	408	158	312	**Toys "R" Us**	1,099	1,702	2,074	111.4	129.8	16.6
378	197	■	■	**Trans World Airlines**	2,879	3,657	344	29.9	254.0	27.3
80	120	205	212	**Transamerica**	12,502	5,399	1,705	168.7	378.6	29.7
303	198	272	251	**Transco Energy**	3,677	3,644	1,270	138.0	481.4	3.6
386	■	■	■	**Transohio Finl**	2,797	283	54	4.5	6.7	1.2
■	345	314	304	**Transworld**	1,157	2,002	1,104	115.0	183.3	71.7
23	32	93	134	**Travelers**	36,435	13,477	3,155	259.2	315.3	29.6
■	380	254	333	**Tribune**	1,737	1,794	1,396	103.0	188.6	18.4
179	■	425	379	**Trust Co of Georgia**	6,165	647	771	89.2	103.5	5.1
324	103	123	129	**TRW**	3,481	6,062	2,669	266.8	481.6	90.9
■	■	357	271	**Tucson Electric Power**	1,428	352	977	129.9	165.6	1.0
■	409	■	■	**Turner**	514	1,694	88	12.7	16.2	2.4
222	85	236	131	**UAL**	5,159	6,968	1,529	260.9	706.5	63.0
423	347	202	202	**Union Camp**	2,567	1,974	1,728	181.5	307.4	17.5
97	57	130	95	**Union Carbide**	10,518	9,508	2,589	341.0	848.0	98.9
191	452	217	102	**Union Electric**	5,879	1,412	1,636	324.2	425.8	7.3
458	■	■	■	**Union National**	2,344	244	150	17.6	23.9	2.0
98	75	57	57	**Union Pacific**	10,392	7,789	4,609	494.0	1,055.0	46.4
500	■	■	■	**Union Trust Bancorp**	2,090	235	124	19.2	22.9	2.1
■	323	■	■	**Uniroyal**	1,453	2,122	467	54.6	112.9	20.3
262	■	■	■	**United Banks of Colo**	4,215	468	192	32.0	42.4	3.3
■	224	■	■	**United Brands**	1,048	3,248	136	12.2	48.1	42.5
439	180	438	■	**United Energy Resources**	2,495	4,001	755	35.6	258.6	3.7
308	■	■	■	**United Financial Group**	3,633	400	77	48.4	51.0	0.8
■	■	■	384	**United Illuminating**	1,486	510	185	88.3	106.5	1.6
270	■	■	■	**United Jersey Banks**	4,051	407	210	30.1	35.2	3.0
370	■	■	■	**United Missouri Bshs**	2,922	251	236	29.4	36.0	2.0
147	■	■	496	**US Bancorp**	7,496	769	497	60.1	71.3	5.5
■	399	■	■	**United States Shoe**	807	1,717	586	53.4	81.4	28.0
53	21	114	75	**United States Steel**	18,989	18,274	2,800	414.0	1,655.0	88.8
■	■	329	399	**US Tobacco**	409	444	1,066	83.7	96.9	3.7
461	■	■	■	**US Trust**	2,326	267	187	21.2	26.2	1.7
65	82	35	25	**US West**	17,017	7,280	6,791	887.0	1,992.7	70.8
104	22	62	37	**United Technologies**	9,905	16,332	4,400	645.0	1,068.1	199.6
208	252	164	151	**United Telecom**	5,441	2,856	2,008	235.2	743.0	27.9
190	■	■	■	**United Virginia Bshs**	5,941	665	427	[illegible].3	73.0	5.0
100	42	39	35	**Unocal**	10,203	10,838	6,427	700.4	1,536.8	20.5
477	316	150	207	**Upjohn**	2,248	2,188	2,150	173.3	240.3	22.1

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1984										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
■	419	429	286	**USAir Group**	1,621	1,630	766	121.6	188.0	12.2
180	255	238	364	**USF&G**	6,158	2,839	1,506	93.3	104.6	9.1
■	304	355	196	**USG**	1,615	2,319	982	186.6	255.6	20.2
358	■	■	■	**Uslife**	3,108	923	623	18.7	28.6	3.0
375	■	296	302	**Utah Power & Light**	2,900	968	1,184	115.5	209.5	4.7
■	306	■	■	**Valero Energy**	1,998	2,308	139	−16.1	26.6	2.0
411	■	■	■	**Valley Federal S&L**	2,636	301	23	−11.5	−7.1	1.1
127	■	■	494	**Valley National**	8,777	968	485	60.4	81.6	6.8
■	■	404	490	**Varian Associates**	744	961	821	60.8	81.3	14.8
■	■	402	278	**VF**	808	1,167	823	124.7	151.5	28.3
■	■	413	419	**Vulcan Materials**	811	983	803	78.4	154.6	6.0
128	■	370	339	**Wachovia**	8,717	914	917	100.3	113.4	6.7
480	92	42	125	**Wal-Mart Stores**	2,229	6,518	5,310	270.8	337.3	71.5
■	403	■	■	**Waldbaum**	336	1,712	99	13.0	36.1	7.3
■	254	257	383	**Walgreen**	937	2,847	1,381	88.5	118.2	33.1
430	290	78	156	**Wang Laboratories**	2,540	2,421	3,599	231.0	387.8	27.7
450	340	276	■	**Warner Communications**	2,380	2,024	1,240	−598.6	−500.1	8.1
374	233	118	158	**Warner-Lambert**	2,900	3,167	2,740	223.9	320.6	41.5
313	■	■	■	**Washington Mutual**	3,558	388	71	−9.5	−5.0	1.1
332	■	■	■	**Washington National**	3,356	813	234	12.4	18.3	5.6
■	■	309	393	**Washington Post**	646	984	1,123	85.9	107.6	5.4
■	■	■	461	**Washington Water Power**	1,292	413	389	65.9	92.5	1.4
■	484	153	240	**Waste Management**	1,966	1,315	2,138	142.5	257.7	18.8
■	■	433	■	**Weis Markets**	380	958	761	55.3	69.7	10.6
29	218	351	211	**Wells Fargo**	28,184	3,372	1,001	169.3	227.5	16.1
■	■	371	452	**Wendy's International**	614	939	914	68.7	106.0	41.5
■	485	■	■	**West Point-Pepperell**	758	1,310	371	46.6	88.0	21.8
265	■	■	■	**Western Savings & Loan**	4,144	442	97	12.6	17.3	1.3
474	■	■	■	**Western Union**	2,259	1,134	213	−63.3	89.2	14.1
122	46	58	50	**Westinghouse Electric**	9,150	10,265	4,566	535.9	961.9	126.8
■	383	328	261	**Westvaco**	1,860	1,781	1,066	133.0	239.5	14.9
■	248	■	■	**Wetterau**	574	2,980	265	25.4	45.5	7.8
188	116	71	157	**Weyerhaeuser**	5,958	5,550	3,782	226.2	624.4	38.9
■	236	206	192	**Whirlpool**	1,565	3,138	1,703	189.6	259.8	22.3
■	355	■	■	**White Consolidated**	1,189	1,906	457	−79.3	−46.4	17.8
483	■	■	■	**Whitney Holding**	2,223	221	327	33.5	53.6	0.9
■	467	■	■	**Whittaker**	809	1,364	306	34.7	55.9	13.8
■	245	■	■	**Wickes Cos**	1,313	3,031	41	17.0	59.6	25.4
■	■	■	460	**Willamette Inds**	937	1,182	534	66.2	127.5	8.1
246	216	344	234	**Williams Cos**	4,534	3,389	1,021	149.5	329.4	7.1
■	411	■	■	**Wilson Foods**	231	1,685	55	−16.1	−7.8	7.0
■	79	267	313	**Winn-Dixie Stores**	1,178	7,531	1,305	111.1	258.2	67.8
441	443	333	217	**Wisconsin Elec Power**	2,469	1,435	1,053	162.5	278.4	6.1
■	434	■	480	**Witco Chemical**	756	1,496	496	62.6	108.1	8.3
464	111	301	241	**FW Woolworth**	2,311	5,737	1,163	141.1	245.8	115.9
70	39	76	139	**Xerox**	15,406	11,609	3,632	250.5	1,131.8	102.3
■	460	■	■	**Yellow Freight System**	666	1,380	455	44.1	103.2	19.6
■	231	382	406	**Zayre**	1,109	3,195	880	80.3	120.4	43.0
■	400	■	474	**Zenith Electronics**	909	1,716	437	63.6	95.4	29.5
398	■	■	■	**Zions Utah Bancorp**	2,711	283	177	25.0	29.0	1.7

■ Not on 500 list.

The Forbes 500s on Wall Street

Profit margins, stock performance and key ratios are listed here for the 785 companies that make one or more of the 500s lists.

HAVING GOOD STOCK MARKET DATA is no guarantee that you will do well in the stock market. After all, the fellow on the other side of the trade has good data, too. But you need the facts just to get on the same starting line. Herewith, 21,195 facts—basic stock data on the 785 companies that made it onto the Sales, Profits, Assets or Market Value 500 rosters.

Suppose you are interested in Albertson's, a Boise, Idaho-based supermarket chain whose earnings have been rising steadily. The company has a fiscal year ending in January. Its results through January 1985 are used in this table as 1984 results. That rule holds generally: Any fiscal year ending between June 1984 and May 1985 is treated as fiscal 1984, no matter what the company designates it. If fiscal 1984 numbers are not available, an estimate is used and so noted.

The *n* says Albertson's is traded on the Big Board; *a* is American Stock Exchange; *o*, over-the-counter.

The price range for the five years through Mar. 22, 1985 is adjusted for splits and rounded to the nearest full point. Albertson's was trading at a low of around 32 at the beginning of the period, but it has since split twice, 2-for-1. Thus, the low end of the range is shown as 8.

The "recent" figure is the close on Mar. 22, 1985. The 12-month performance shows the percentage gain or loss in the stock price since Mar. 22, 1984. Albertson's is up 24%. As for the relative performance: First, we take a hypothetical $100 investment in Albertson's and calculate that it would grow in the 12 months to $124. Next, we compare this with the result of a $100 investment in the average stock (using a weighted index from William O'Neil & Co.). The average stock would have turned a $100 investment into $120. The relative performance is the ratio of these two performances, multiplied by 100.

The price/earnings ratio for the latest 12 months is the ratio of the recent price to the earnings per share (EPS) over the last four quarters for which results have been reported. The market as a whole is trading at a P/E of about 12,

			Stock price			Stock performance—latest 12 months		Stock price ratios			
								price/earnings			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/sales
Abbott Laboratories/Dec	ABT	n	53–17	52–37	50¾	25%	104	19–11	15.2	13.4	1.97
Advanced Micro Dev/Mar	AMD	n	41– 5	41–25	31⅝	12	93	73–8	13.1	14.6	1.90
Aetna Life & Cas/Dec	AET	n	48–27	43–27	40¼	13	94	NA–5	NM	15.8	0.26
Affiliated Bshs Colo/Dec	AFBK	o	20– 7	20–14	14⅜	–18	67	9–4	7.3	6.1	0.46
HF Ahmanson/Dec	AHM	n	41– 8	32–16	31⅜	31	109	NM–4	18.1	7.9	0.32
Air Prods & Chems/Sep	APD	n	54–24	51–39	48½	13	94	15–4	10.8	9.5	0.84
Albertson's/Jan	ABS	n	32– 8	32–23	30⅜	24	103	15–7	12.6	11.1	0.33
Alco Standard/Sep	ASN	n	40–13	36–27	34½	7	89	15–5	11.7	10.3	0.21
Alexander & Baldwin/Dec	ALEX	o	40–10	40–25	39	50	125	11–3	10.8	9.5	1.56
Alleghany/Dec	Y	n	92–17	90-64	77⅞	22	101	NM–3	2.5	31.8	3.07
Allegheny Intl/Dec	AG	n	55–16	29–19	26¾	8	90	NM–4	NM	9.3	0.13
Allegheny Power/Dec	AYP	n	31–12	31–25	30	19	99	9–4	8.3	7.9	0.86
Allied Bancshares/Dec	ALBN	o	28– 7	27–20	24⅞	7	89	13–6	8.6	7.5	0.95
Allied Corp/Dec	ALD	n	41–19	40–28	38⅝	11	92	NM–4	7.7	7.0	0.30
Allied Stores/Jan	ALS	n	60–19	60–38	58	43	119	11–5	8.6	8.6	0.31
Alltel/Dec	AT	n	27–14	27–20	25⅞	22	101	10–6	8.5	8.0	0.78
Alcoa/Dec	AA	n	49–22	42–31	34⅜	–15	70	NM–3	11.0	8.0	0.49

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

[redacted]

which means that buying a piece of a company will cost you $12 for every $1 earned in the last 12 months.

Albertson's P/E is 12.6. Its P/E for 1985 is calculated similarly but uses an estimate from stock analysts for what this year's earnings will be.

The price-to-sales ratio compares the total market value of a company's stock to its annual sales. Albertson's has a fairly low ratio, 0.21, typical of food retailing. Why so? Supermarkets have low profit margins, meaning that each dollar of sales translates into only a penny or two of earnings. It makes sense that investors won't pay as much for an unrewarding sales dollar as for a juicy one. Contrast Telerate, which turns each dollar of sales into 24.8 cents of profit. Telerate, in the lucrative business of providing financial data to brokers, has one of the highest price-to-sales ratios around.

Earnings per share are shown next, both a trailing-12-months figure and an average estimate from various Wall Street analysts. We show the number of analysts whose predictions are used, as well as how widely their predictions vary from one another. Albertson's has a high "confidence factor," meaning that the experts are in close agreement on this company. The indicated dividend, 76 cents for Albertson's, is the most recent quarterly dividend times 4. The payout rate compares this annual dividend with the trailing-12-months earnings. The growth rate is the five-year trend in annual dividend increases.

The number of shares outstanding is the most recent figure available, in some cases different from the year-end figure used to compute the market value in the tables beginning on page 205.

The stock market performance and some profit data come from William O'Neil & Co., a publisher of stock charts and *Investors Daily*. Earnings estimates are from Institutional Brokers Estimate System, a compilation of analysts' reports maintained by the brokerage firm Lynch, Jones & Ryan of New York City. Other data are from annual reports, FORBES questionnaires and telephone calls.

	Earnings						Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
3.0%	$3.34	$3.34	$3.78	13%	31	very high	$1.20	36%	19%	120.2	47%
15.2	2.41	2.26E	2.16	–4	30	low	0.00	NA	NA	55.5	51
0.4	0.34	0.34	2.55	650	24	low	2.64	NM	2	100.0	57
7.3	1.97	1.97	2.36	20	5	average	0.80	41	11	9.2	29
1.8	1.73	1.73	3.99	131	15	very low	1.20	69	–5	27.9	85
7.9	4.51	4.55	5.09	12	22	high	1.20	22	8	30.8	67
1.7	2.42	2.42	2.74	13	12	high	0.76	31	15	33.0	32
1.9	2.95	2.85	3.34	17	10	high	1.20	41	6	21.3	32
14.4	3.60	3.60	4.12	14	5	high	1.40	39	4	18.5	24
126.5	30.55	30.55	2.45	–92	1	NA	0.00	NA	NA	7.7	27
NM	–2.51	–2.51	2.88	NM	6	low	1.40	NM	0	10.5	27
10.2	3.61	3.61	3.79	5	21	high	2.70	75	10	49.4	34
11.0	2.89	2.89	3.33	15	12	high	0.84	29	26	41.[illegible]	21
4.5	5.03	5.03	5.53	10	19	high	1.80	36	2	83.[illegible]	62
3.5	6.71	6.71	6.78	1	19	high	2.12	32	4	21.0	58
9.8	3.05	3.05	3.25	7	16	high	1.84	60	6	19.3	18
4.5	3.13	3.13	4.31	38	19	very low	1.20	38	–8	81.1	64

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; FORBES.

The Forbes 500s on Wall Street

			Stock price			Stock performance—latest 12 months		Stock price ratios			
								price/earnings			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
AMAX/Dec	AMX	n	69– 16	27– 16	17⅜	–31%	56	NM– 5	NM	35.5	0.50
Amerada Hess/Dec	AHC	n	55– 15	34– 23	30⅝	2	85	18– 3	15.2	9.0	0.31
American Brands/Dec	AMB	n	70– 29	70– 53	69½	25	104	10– 4	9.8	8.8	0.86
Amer Broadcasting/Dec	ABC	n	115– 26	115– 55	106⅛	97	164	17– 5	15.8	15.1	0.83
American Can/Dec	AC	n	56– 26	56– 40	52¾	12	93	17– 5	13.2	9.9	0.40
American Continental/Dec	AMCC	o	14– 5	11– 5	7⅛	–28	60	13– 6	7.8	NA	0.13
American Cyanamid/Dec	ACY	n	59– 21	56– 43	51⅜	9	91	19– 6	11.6	10.4	0.65
American Elec Power/Dec	AEP	n	22– 15	22– 15	21	25	104	11– 5	7.9	7.6	0.80
American Express/Dec	AXP	n	50– 12	44– 25	42⅜	38	115	19– 5	15.3	11.9	0.71
American Fletcher/Dec	AFLT	o	43– 13	43– 27	42¼	46	121	8– 3	7.6	6.5	0.52
American General/Dec	AGC	n	31– 8	31– 20	28	32	110	13– 4	14.0	9.1	0.35
American Greetings/Feb	AGREA	o	38– 5	38– 22	32¾	38	115	18– 5	14.4	11.9	1.15
American Home Prod/Dec	AHP	n	60– 21	60– 47	60⅜	17	97	14– 9	13.6	12.5	2.05
Amer Hospital Supply/Dec	AHS	n	49– 19	38– 26	34¾	1	84	19– 9	10.8	10.7	0.73
Amer Info Technol/Dec	AIT	n	84– 62*	84– 62	83⅝	26	105	27– 7*	8.2	7.7	0.98
American Intl Group/Dec	AIG	o	78– 26	78– 52	72	31	109	18– 8	17.7	12.9	1.22
Amer Medical Intl/Aug	AMI	n	37– 10	28– 19	23⅜	2	85	24– 9	13.6	10.4	0.93
American Motors/Dec	AMO	n	11– 2	6– 3	3⅜	–39	50	NM–NM	NM	10.2	9.00
American Natl Ins/Dec	ANAT	o	35– 10	35– 22	34½	47	122	9– 3	11.3	9.5	1.33
American Natural Res/Dec	ANR	n	65—17	65– 28	64¾	106	171	12– 3	12.3	11.1	0.70
American Petrofina/Dec	APIA	a	72– 31	65– 54	60¾	1	84	17– 3	15.2	NA	0.34
American President/Dec	APS	n	44– 18*	44– 24	37⅝	48	123	14– 3*	4.3	4.3	0.57
Amer Savings & Loan/Sep	AAA	n	26– 3	14– 6	6⅜	–40	49	NM– 4	5.0	4.1	0.08
American Security/Dec	ASEC	o	22– 8	22– 15	20½	–1	81	50– 3	50.0	8.5	0.59
American Standard/Dec	AST	n	44– 17	35– 23	31⅞	16	96	24– 5	12.3	8.0	0.39
American Stores/Jan	ASC	n	57– 7	57– 27	55	65	137	14– 4	9.6	11.2	0.13
American Tel & Tel/Dec	T	n	22– 15*	22– 15	21½	37	114	17–12*	17.2	11.4	0.67
AmeriTrust/Dec	AMTR	o	63– 23	63– 41	60¼	43	119	9– 4	8.0	7.3	0.86
Amfac/Dec	AMA	n	36– 17	28– 18	26	–6	77	NM– 4	NM	11.7	0.18
AMP/Dec	AMP	n	40– 11	39– 26	31⅜	–4	79	28– 9	16.8	15.8	1.86
AMR/Dec	AMR	n	43– 7	43– 24	39⅝	20	100	NM– 4	9.1	7.9	0.36
AmSouth Bancorp/Dec	ASO	n	29– 11	29– 19	26⅝	22	101	8– 4	7.7	7.0	0.60
Anderson, Clayton/Jun	AYL	n	42– 18	42– 25	41¾	42	118	22– 4	21.5	13.1	0.29
Anheuser-Busch Cos/Dec	BUD	n	80– 21	80– 54	79⅜	41	117	13– 6	10.7	9.5	0.57
Apollo Computer/Dec	APCI	o	34– 15*	31– 17	24½	9	91	NM–21*	32.7	18.0	0.00
Apple Computer/Sep	AAPL	o	63– 11	34– 21	22¼	–12	72	NM–10	13.1	9.8	0.71
Archer Danls Midland/Jun	ADM	n	24– 11	22– 15	21¼	13	94	19– 5	15.0	10.8	0.44
Arizona Bancwest/Dec	AZBW	o	26– 9	26– 16	24¾	56	130	9– 5	11.0	9.8	0.82
Arizona Public Serv/Dec	AZP	n	27– 15	23– 15	22	21	100	8– 4	6.7	6.1	1.55
Arkla/Dec	ALG	n	30– 11	24– 16	20⅜	–13	71	23– 7	16.0	12.8	0.87
Armco/Dec	AS	n	42– 9	22– 9	9¾	–47	43	NM– 5	NM	9.3	0.14
Armstrong World Inds/Dec	ACK	n	38– 13	38– 23	32¼	19	99	37– 6	8.5	7.5	0.49
Asarco/Dec	AR	n	54– 17	33– 18	24⅞	–20	66	NM–NM	NM	NM	0.53
Ashland Oil/Sep	ASH	n	46– 21	32– 21	30⅜	15	96	NM– 4	NM	9.5	0.10
Associated Dry Goods/Jan	DG	n	72– 17	62– 45	56½	10	91	15– 5	9.3	8.3	0.21
Atlantic Bancorp/Dec	ABAN	o	30– 5	30– 23	29⅛	15	96	10– 3	9.5	8.2	0.82
Atlantic City Elec/Dec	ATE	n	26– 15	25– 20	24⅛	18	98	10– 5	7.5	7.2	0.78
Atlantic Richfield/Dec	ARC	n	74– 32	53– 41	48⅛	5	87	24– 5	21.8	7.9	0.48

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
NM	$-3.86	$-3.86	$0.49	NM	11	very low	$0.20	NM	-56%	68.2	25%
2.1%	2.01	2.01	3.40	69%	24	low	1.10	55%	1	82.8	49
9.1	7.08	7.08	7.89	11	16	very high	3.90	55	8	55.1	27
5.3	6.71	6.71	7.01	4	26	average	1.60	24	0	29.1	69
3.6	3.99	3.99	5.35	34	8	average	2.90	73	7	24.0	39
3.0	0.92	0.92	NA	NA	NA	NA	0.00	0	NA	12.9	4
5.6	4.41	4.41	4.93	12	19	average	1.90	43	2	48.7	66
9.8	2.65	2.65	2.76	4	21	average	2.26	85	1	187.2	9
4.7	2.77	2.77	3.55	28	22	average	1.28	46	8	216.3	56
6.9	5.54	5.54	6.50	17	4	very high	1.48	27	4	4.6	47
5.6	2.00	2.00	3.08	54	18	average	1.00	50	20	66.6	49
7.9	2.27	2.36E	2.76	17	12	very high	0.58	26	20	31.8	64
15.2	4.43	4.43	4.82	9	28	very high	2.90	65	12	153.0	54
6.9	3.23	3.23	3.25	1	30	average	1.12	35	17	74.3	61
11.9	10.17	10.17	10.88	7	33	very high	6.00	59	NA	98.1	32
7.1	4.07	4.07	5.56	37	23	average	0.44	10	12	72.9	41
6.9	1.72	1.64	2.24	37	33	high	0.72	42	28	81.8	61
0.3	0.04	0.04	0.33	725	9	very low	0.00	NA	NA	110.1	6
11.7	3.04	3.04	3.63	19	3	high	1.08	36	9	29.0	41
5.6	5.26	5.26	5.84	11	11	high	2.22	42	-4	37.6	44
2.1	4.00	4.00	NA	NA	NA	NA	3.20	80	7	12.0	1
11.4	8.67	8.67	8.73	1	8	average	0.00	NA	0	13.6	46
3.8	1.27	1.65	1.55	-6	2	very low	0.00	NA	NA	5.3	29
1.2	0.41	0.41	2.41	487	4	low	1.[illegible]2	248	8	11.5	20
3.0	2.60	2.60	3.96	52	11	low	1.60	62	-9	39.1	58
1.5	5.71	5.71	4.89	-14	9	high	0.64	11	24	31.5	50
4.1	1.25	1.25	1.89	51	37	low	1.20	96	NA	1,027.5	17
10.7	7.54	7.54	8.30	10	13	average	3.08	41	3	9.3	42
NM	-0.93	-0.93	2.23	NM	11	low	0.00	NA	NA	16.6	50
11.1	1.87	1.87	1.98	6	19	average	0.72	39	17	107.7	76
4.4	4.37	4.37	5.00	14	21	low	0.00	NA	NA	48.5	81
8.2	3.48	3.48	3.82	10	9	high	1.40	40	10	10.2	34
1.0	1.94	3.11	3.18	2	4	high	1.32	68	3	12.1	20
6.0	7.40	7.40	8.36	13	19	very high	2.00	27	18	47.1	57
11.1	0.75	0.75	1.36	81	20	average	0.00	NA	NA	33.5	38
5.5	1.70	1.05	2.28	117	23	low	0.00	NA	NA	60.5	20
3.0	1.42	1.02	1.97	93	15	average	0.14	10	5	96.5	56
6.6	2.26	2.26	2.52	12	2	high	0.80	35	6	11.3	28
27.2	3.26	3.26	3.61	11	19	high	2.60	80	6	69.5	22
5.4	1.27	1.27	1.59	25	17	low	1.08	85	15	50.3	38
NM	-4.54	-4.54	1.05	NM	11	very low	0.00	NA	NA	66.9	30
5.9	3.79	3.79	4.29	13	12	average	1.20	32	1	23.9	68
NM	-12.56	-12.56	-3.10	NM	13	very low	0.00	NA	NA	28.4	24
NM	-7.42	-7.40	3.19	NM	11	very low	1.60	NM	-10	28.1	30
2.9	6.07	6.07	6.80	12	21	high	2.60	43	12	15.3	84
8.7	3.08	3.08	3.57	16	5	high	0.90	29	17	10.6	29
11.5	3.20	3.20	3.37	5	11	average	2.48	78	3	17.8	14
2.4	2.21	2.21	6.10	176	35	average	3.00	136	11	240.6	54

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

			Stock price			Stock performance—latest 12 months		Stock price ratios			
								price/earnings			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Auto Data Processing/Jun	AUD	n	46– 16	46– 30	42⅜	38%	115	24–12	18.9	17.1	1.57
Avnet/Jun	AVT	n	50– 10	41– 27	30¾	–15	70	33– 5	13.9	16.1	0.63
Avon Products/Dec	AVP	n	42– 19	26– 19	20¾	–12	72	15– 6	9.6	9.0	0.53
Baker International/Sep	BKO	n	54– 15	24– 15	16⅜	–19	66	NM– 5	15.2	13.1	0.63
Bally Manufacturing/Dec	BLY	n	32– 11	23– 11	14½	–11	73	NM– 7	NM	11.7	0.29
Baltimore Gas & Elec/Dec	BGE	n	42– 18	42– 31	39⅞	29	107	8– 5	7.2	7.1	0.89
Banc One/Dec	ONE	n	30– 7	30– 21	29¼	38	115	11– 4	10.2	NA	1.01
Banco Popular PR/Dec	BPOP	o	44– 13	44– 27	41¼	54	128	6– 2	6.2	NA	0.53
BancOklahoma/Dec	BOKC	o	25– 8	23– 17	20½	0	82	8– 5	6.1	6.4	0.47
Bancorp Hawaii/Dec	BNHI	o	30– 14	30– 18	29	35	112	8– 4	7.7	6.4	0.62
Bank of Boston/Dec	BKB	n	48– 16	48– 29	45¼	19	99	7– 3	5.4	6.0	0.27
Bank of New England/Dec	BKNE	o	68– 18	68– 41	63¾	33	110	8– 3	6.8	6.3	0.37
Bank of New York/Dec	BK	n	41– 13	41– 26	37⅞	28	106	6– 4	5.9	6.6	0.38
Bank of Virginia/Dec	BKV	n	27– 5	27– 16	25½	44	120	9– 4	8.6	7.6	0.66
Bank South/Dec	BKSO	o	26– 4	25– 21	24½	11	92	11– 3	9.7	8.5	0.66
BankAmerica/Dec	BAC	n	31– 15	21– 15	18⅞	–7	76	13– 5	10.7	7.7	0.20
Bankers Trust NY/Dec	BT	n	66– 18	66– 38	63⅝	44	120	7– 3	6.7	6.1	0.42
Banks of Mid-Amer/Dec	BOMA	o	20– 8	15– 10	11⅝	–17	68	NM– 4	NM	8.4	0.29
Barnett Banks Fla/Dec	BBF	n	50– 11	50– 33	48¼	38	115	10– 4	8.8	8.5	0.66
Bausch & Lomb/Dec	BOL	n	35– 16	29– 18	25⅛	9	91	63– 9	14.9	10.7	1.40
Baxter Travenol Labs/Dec	BAX	n	31– 9	19– 12	15⅜	–10	74	73–10	73.2	14.2	1.21
BayBanks/Dec	BBNK	o	49– 12	49– 35	46¾	26	105	8– 3	8.0	7.2	0.53
Beatrice/Feb	BRY	n	36– 16	33– 25	29	–5	78	NM– 4	6.7	9.2	0.23
Becton, Dickinson/Sep	BDX	n	55– 26	48– 31	46¾	36	113	33– 9	14.8	12.2	0.87
Bell Atlantic/Dec	BEL	n	85– 65*	85– 66	84⅞	20	100	8– 7*	8.5	8.0	1.05
BellSouth/Dec	BLS		38– 27*	38– 27	37⅛	19	99	9– 6*	8.7	8.2	1.17
Beneficial Corp/Dec	BNL	n	38– 15	38– 23	36⅛	31	109	12– 5	11.6	7.7	0.45
Bergen Brunswig/Aug	BBCA	a	40– 4	29– 19	24	0	82	27– 6	15.7	10.9	0.17
Berkshire Hathaway/Dec	BKHT	o	1770–245	1770–1220	1770	41	117	30– 7	28.9	NA	2.86
Best Products/Jan	BES	n	26– 9	17– 11	12⅛	–12	72	24– 6	24.3	20.9	0.14
Bethlehem Steel/Dec	BS	n	32– 14	28– 14	17	–37	51	NM– 4	NM	10.9	0.15
Beverly Enterprises/Dec	BEV	n	45– 5	37– 21	32½	50	125	32– 9	18.1	14.8	0.59
Big Three Industries/Dec	BIG	n	38– 15	25– 19	22⅜	12	93	23– 6	16.0	11.5	1.12
Black & Decker/Sep	BDK	n	29– 12	27– 17	24	–4	79	23– 7	12.2	10.9	0.72
Boatmen's Bancshares/Dec	BOAT	o	33– 9	33– 24	32¾	9	91	8– 3	7.7	7.4	1.24
Boeing/Dec	BA	n	67– 15	67– 36	62⅜	64	136	15– 4	7.7	10.5	0.59
Boise Cascade/Dec	BCC	n	48– 20	45– 33	38½	0	82	NM– 5	17.3	8.5	0.28
Borden/Dec	BN	n	70– 20	70– 52	68	27	105	11– 4	9.5	8.5	0.39
Borg-Warner/Dec	BOR	n	28– 7	25– 17	21½	10	91	15– 5	9.4	7.6	0.49
Boston Edison/Dec	BSE	n	37– 19	37– 25	36⅞	36	113	9– 4	7.6	7.9	0.44
Bowater Inc/Dec	BOW	n	26– 15	26– 15	22⅜	NA	0	12– 7	8.6	8.0	0.74
Bristol-Myers/Dec	BMY	n	57– 15	57– 43	55¾	24	103	16– 8	16.2	14.1	1.83
Brown-Forman/Apr	BFDB	a	45– 17	34– 23	33½	32	110	13– 8	10.4	9.1	0.82
Brown Group/Oct	BC	n	40– 7	30– 23	26¼	–10	74	12– 4	14.6	8.9	0.34
Browning-Ferris Inds/Sep	BFI	n	48– 8	44– 27	42⅝	27	105	21– 7	16.0	13.4	1.42
Brunswick/Dec	BC	n	41– 5	41– 24	35¾	44	120	17– 1	8.1	6.8	0.52
Brush Wellman/Dec	BW	n	40– 7	40– 26	34½	30	108	38– 7	15.7	13.9	1.99
Burlington Inds/Sep	BUR	n	43– 15	30– 23	27	–3	80	21– 5	20.1	11.8	0.25

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

—Earnings—							—Dividends—			—Shares outstanding—	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
8.3%	$2.26	$2.14	$2.49	16%	20	very high	$0.62	27%	13%	35.3	69%
4.6	2.21	2.44	1.91	–22	16	average	0.50	23	1	35.3	67
5.8	2.16	2.16	2.30	6	22	high	2.00	93	–12	80.0	55
4.1	1.08	1.00	1.25	25	28	low	0.92	85	25	70.8	54
NM	–3.86	–3.86	1.24	NM	10	very low	0.20	NM	25	26.0	34
13.8	5.54	5.54	5.65	2	24	very high	3.20	58	5	39.3	36
10.3	2.88	2.88	3.29	14	12	high	1.10	38	13	36.2	15
8.5	6.63	6.63	NA	NA	NA	NA	2.20	33	36	4.5	14
7.5	3.37	3.37	3.21	–5	8	low	0.90	27	15	6.1	13
7.9	3.77	3.77	4.54	20	3	very high	1.24	33	7	8.9	44
5.1	8.35	8.35	7.55	–10	16	high	2.40	29	12	19.3	56
5.7	9.35	9.35	10.17	9	5	very high	2.84	30	10	4.6	42
6.8	6.40	6.40	5.78	–10	9	average	2.04	32	9	15.8	30
7.7	2.97	2.97	3.34	12	10	average	1.00	34	8	12.5	27
8.1	2.53	2.53	2.88	14	2	very high	0.68	27	30	8.6	33
2.4	1.77	1.77	2.44	38	33	low	1.52	86	1	151.5	34
6.3	9.52	9.52	10.43	10	24	high	2.70	28	10	32.0	61
2.0	0.07	0.07	1.38	NM	2	very high	1.00	NM	16	7.6	31
7.6	5.48	5.48	5.66	3	21	high	1.36	25	13	18.6	38
9.4	1.69	1.69	2.35	39	14	very high	0.78	46	3	29.6	64
1.6	0.21	0.21	1.08	414	30	low	0.37	176	20	141.2	44
6.6	5.88	5.88	6.48	10	6	very high	2.20	37	13	6.3	44
3.6	4.31	2.88E	3.16	10	15	average	1.80	42	7	91.6	41
5.0	3.15	3.03	3.83	26	19	average	1.20	38	5	20.2	32
12.0	9.94	9.94	10.67	7	34	high	6.40	64	NA	99.6	31
13.2	4.28	4.28	4.53	6	34	high	2.60	61	NA	296.6	23
4.8	3.11	3.11	4.68	50	7	very high	2.00	64	0	22.3	42
1.1	1.53	1.57	2.20	40	7	average	0.32	21	25	12.6	50
9.9	61.21	61.21	NA	NA	NA	NA	0.00	NA	NA	1.1	5
0.6	0.50	0.50	0.58	16	13	low	0.24	48	11	26.9	63
NM	–3.32	–3.32	1.56	NM	14	very low	0.40	NM	–28	46.5	51
3.3	1.80	1.80	2.20	22	18	very high	0.32	18	14	25.9	57
7.3	1.40	1.40	1.95	39	13	low	0.80	57	14	39.5	52
5.8	1.96	1.95	2.21	13	13	average	0.64	33	–9	50.4	58
8.9	4.25	4.25	4.42	4	3	average	1.50	35	12	13.2	19
7.6	8.09	8.09	5.94	–27	30	average	1.40	17	–1	97.2	59
1.8	2.23	2.23	4.52	102	13	low	1.90	85	1	27.3	53
4.2	7.13	7.13	8.04	13	8	high	2.72	38	9	26.0	48
5.3	2.28	2.28	2.84	25	10	high	0.92	40	27	89.0	36
6.7	4.85	4.85	4.68	–4	14	average	3.24	67	3	15.7	19
8.1	2.60	2.60	2.78	7	6	average	0.72	28	NA	29.3	29
11.3	3.45	3.45	3.95	14	30	very high	1.60	46	17	137.4	56
5.0	3.22	3.23E	3.70	15	1	NA	0.88	27	7	23.0	58
2.4	1.80	2.65	2.94	11	9	low	1.36	76	18	20.3	40
8.9	2.67	2.60	3.18	22	11	high	1.08	40	19	34.4	49
6.4	4.42	4.42	5.23	18	8	average	1.00	23	7	21.4	51
12.9	2.20	2.20	2.48	13	9	high	0.48	22	9	18.6	61
1.3	1.34	2.18	2.29	5	11	low	1.64	122	3	28.5	45

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

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			Stock price			Stock performance—latest 12 months		Stock price ratios			
								price/earnings			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/sales
Burlington Northern/Dec	BNI	n	59– 13	59– 35	51⅞	18%	98	11– 4	7.3	7.0	0.41
Burroughs/Dec	BGH	n	72– 27	66– 48	58	19	99	44– 8	10.7	9.1	0.55
Cabot/Sep	CBT	n	37– 16	34– 23	27⅞	8	90	15– 5	8.6	8.2	0.47
CalFed/Dec	CAL	o	30– 11*	19– 11	17	14	95	9– 3*	6.3	5.1	0.17
California First Bnk/Dec	CFBK	o	19– 12	19– 16	19	15	96	10– 4	9.5	NA	0.39
Campbell Soup/Jul	CPB	n	72– 25	72– 54	70⅞	17	97	12– 6	11.7	11.0	0.60
Capital Cities Comm/Dec	CCB	n	222– 40	222–136	215	55	129	21– 7	20.7	18.0	2.94
Capital Holding/Dec	CPH	n	49– 16	49– 30	47¾	37	114	11– 5	11.2	9.4	0.69
Carolina Pwr & Lt/Dec	CPL	n	27– 16	27– 19	26⅝	22	101	9– 5	7.0	7.4	1.01
Carter Hawley Hale/Jan	CHH	n	32– 11	32– 19	26⅞	24	103	17– 6	9.8	11.2	0.13
Carteret Savings/Sep	CFCC	o	12– 6	12– 6	9⅞	7	89	8– 2	5.9	4.7	0.12
Castle & Cooke/Jun	CKE	n	20– 7	19– 9	10¾	–37	51	NM– 8	NM	NM	0.17
Caterpillar Tractor/Dec	CAT	n	73– 28	53– 28	30	–38	51	NM– 7	NM	25.4	0.44
CBS/Dec	CBS	n	110– 33	110– 68	108½	59	132	18– 6	16.5	12.5	0.67
CBT/Dec	CBCT	o	42– 13	42– 24	39½	42	118	8– 3	7.4	6.7	0.47
Celanese/Dec	CZ	n	94– 40	94– 63	89⅞	25	104	NM– 5	8.3	7.6	0.37
Contel/Dec	CNT	n	42– 22	42– 32	40½	22	101	10– 6	9.2	8.3	0.81
Centerre Bancorp/Dec	CTBC	o	31– 16	31– 19	29	24	103	11– 4	9.5	8.7	0.41
Central & South West/Dec	CSR	n	24– 11	24– 17	22½	27	105	7– 5	6.6	6.4	0.76
Central Bancorp/Dec	CBAN	o	47– 15	47– 29	45	50	125	9– 4	9.4	9.1	0.75
Central Bancshares/Dec	CBSS	o	28– 9	28– 20	27⅛	15	96	7– 3	7.3	6.8	0.57
Central Fidelity Bks/Dec	CFBS	o	31– 7	31– 19	29⅞	41	117	9– 3	8.7	7.9	0.79
Central Ill Pub Svc/Dec	CIP	n	18– 10	18– 14	17⅞	22	101	11– 5	9.0	8.7	0.85
Central Soya/Aug	CSY	n	22– 9	22– 14	22	44	120	19– 5	16.1	12.9	0.18
Centran/Dec	CENB	o	37– 12	37– 19	35	61	134	NM– 3	5.8	7.0	0.39
Champion Intl/Dec	CHA	n	30– 12	26– 17	21⅛	–16	69	NM– 6	NM	7.7	0.38
Charter/Dec	CHR	n	27– 1	10– 1	2¼	–75	20	NM– 2	NM	NA	0.01
Chase Manhattan/Dec	CMB	n	62– 31	55– 36	52⅛	5	87	7– 3	5.8	4.9	0.19
Chemical New York/Dec	CHL	n	43– 15	43– 24	37¾	19	99	7– 3	5.8	5.6	0.31
Chesebrough-Pond's/Dec	CBM	n	47– 20	39– 32	32¼	–7	76	14– 8	9.5	8.8	0.59
Chevron/Dec	CHV	n	59– 24	40– 29	34⅛	1	84	9– 5	7.6	7.3	0.42
Chrysler/Dec	C	n	36– 3	36– 21	34⅛	30	108	NM– 2	2.9	2.9	0.21
Chubb/Dec	CB	n	63– 20	63– 35	57⅞	27	105	17– 4	23.2	14.8	0.60
Cigna/Dec	CI	n	58– 27	51– 27	47¾	16	96	NM– 4	NM	25.5	0.23
Cincinnati G&E/Dec	CIN	n	20– 9	16– 9	15	22	101	8– 3	6.1	6.0	0.45
Circle K/Apr	CKP	n	36– 8	36– 21	31¾	30	108	18– 5	13.5	11.5	0.27
Citadel Holding/Dec	CDL	a	26– 10*	26– 12	23½	79	149	9– 4*	13.8	NA	0.00
Citicorp/Dec	FNC	n	47– 17	47– 27	43¼	26	105	8– 4	6.7	6.1	0.27
Citizens & Sthrn Ga/Dec	CSGA	o	24– 5	24– 13	20⅛	35	112	9– 5	8.9	7.8	0.78
Citizens Southern SC/Dec	CITS	o	35– 7	35– 24	33¼	28	106	10– 3	9.6	8.6	0.90
Citizens Fidelity/Dec	CFDY	o	29– 6	29– 19	26⅞	24	103	10– 4	9.6	8.4	0.94
City National/Dec	CTYN	o	32– 9	27– 20	26¾	12	93	18– 5	11.2	9.6	0.89
CityFed Financial/Dec	CTYF	o	16– 2	14– 8	10⅝	5	87	NM– 2	2.9	NA	0.15
Cleveland Elec Illum/Dec	CVX	n	23– 14	21– 14	20	15	96	8– 4	5.5	5.7	1.22
Clorox/Jun	CLX	n	37– 8	34– 23	33⅜	27	105	15– 5	10.9	10.2	0.87
Coastal Corp/Dec	CGP	n	54– 13	40– 24	39	22	101	NM– 5	8.7	8.2	0.14
Coca-Cola/Dec	KO	n	67– 29	67– 53	66¾	22	101	14– 8	14.0	12.3	1.19
Colgate-Palmolive/Dec	CL	n	27– 11	27– 21	24¼	6	88	31– 6	28.2	11.2	0.41

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
6.6%	$7.15	$7.15	$7.39	3%	20	average	$1.40	20%	10%	73.2	54%
5.1	5.40	5.40	6.37	18	21	high	2.60	48	0	45.4	73
5.4	3.24	3.02	3.39	12	8	average	0.92	28	4	32.1	56
3.2	2.69	2.69	3.31	23	12	very low	0.32	12	NA	20.4	49
4.0	1.99	1.99	NA	NA	NA	NA	1.08	54	2	11.0	78
5.1	6.05	5.93	6.44	9	16	very high	2.50	28	4	32.3	60
14.4	10.40	10.40	11.96	15	21	very high	0.20	2	7	12.9	75
6.8	4.28	4.28	5.08	19	22	very high	1.56	36	8	25.3	51
15.9	3.81	3.81	3.62	–5	18	high	2.60	68	4	70.7	32
2.3	2.75	2.75	2.41	–12	15	low	1.22	44	1	19.0	20
2.2	1.68	1.05	2.10	100	1	NA	0.00	NA	NA	8.2	18
NM	–5.64	–2.86	–1.44	NM	7	very low	0.00	NA	NA	25.7	42
NM	–4.47	–4.47	1.18	NM	21	very low	0.50	NM	–23	96.8	59
4.1	6.59	6.59	8.68	32	27	average	3.00	46	0	29.7	64
6.3	5.32	5.32	5.93	11	8	high	1.80	34	8	8.7	39
4.8	10.87	10.87	11.75	8	20	average	4.40	41	3	13.5	46
9.0	4.42	4.42	4.90	11	20	high	2.38	54	4	27.6	43
4.2	3.05	3.05	3.34	10	7	high	1.80	59	3	7.7	19
11.5	3.43	3.43	3.52	3	24	very high	2.02	59	6	93.3	46
6.0	4.80	4.80	4.95	3	1	NA	2.05	43	1	5.5	18
7.8	3.70	3.70	3.98	8	4	average	1.52	41	17	6.8	14
8.8	3.42	3.42	3.78	11	4	very high	1.12	33	12	8.7	14
13.3	1.99	1.99	2.05	3	12	low	1.60	80	4	34.0	22
1.2	1.50	1.51	1.71	13	5	average	0.84	56	–5	13.9	33
8.7	6.03	6.03	5.00	–17	6	low	0.60	10	–36	3.9	41
NM	–0.36	–0.36	2.75	NM	15	low	0.40	NM	–36	92.8	52
NM	–45.57	–45.57	NA	NA	NA	NA	0.00	NA	13	16.5	1
4.1	9.01	9.01	10.62	18	25	average	3.80	42	6	36.2	61
5.8	6.48	6.48	6.69	3	20	average	2.48	38	11	47.4	58
6.4	3.40	3.40	3.66	8	18	high	2.00	59	10	34.1	59
5.5	4.48	4.48	4.69	5	34	average	2.40	54	9	342.1	43
7.6	11.75	11.75	11.94	2	16	low	1.00	9	NA	123.6	48
2.4	2.49	2.49	3.91	57	23	very low	2.20	88	7	21.0	68
NM	–0.01	–0.01	1.87	NM	23	very low	2.60	NM	15	72.1	39
9.1	2.45	2.45	2.51	2	14	average	2.16	88	2	43.0	29
2.2	2.32	2.14E	2.74	28	4	average	0.74	32	2	12.1	64
1.9	1.70	1.70	3.63	114	2	very low	0.00	NA	NA	3.2	14
4.3	6.45	6.45	7.08	10	30	average	2.06	32	10	126.3	68
8.7	2.26	2.26	2.58	14	14	very high	0.76	34	18	32.1	30
9.4	3.47	3.47	3.85	11	5	high	1.20	35	12	6.9	29
9.7	2.80	2.80	3.19	14	7	very high	1.04	37	15	12.2	44
7.9	2.38	2.38	2.80	18	3	high	0.88	37	21	8.3	9
6.6	3.69	3.69	NA	NA	NA	NA	0.40	11	NA	13.4	15
24.0	3.64	3.64	3.48	–4	16	high	2.52	69	7	74.1	26
7.9	3.05	2.99	3.28	10	16	very high	1.20	39	10	26.4	37
1.6	4.50	4.50	4.74	5	10	average	0.40	9	0	22.4	31
8.5	4.76	4.76	5.41	14	21	very high	2.96	62	7	130.8	33
1.5	0.86	0.86	2.17	152	15	average	1.28	149	4	82.1	42

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

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Company/fiscal year-end	Ticker	Exch	—Stock price— 5-year high-low	12-month high-low	recent	—Stock performance— —latest 12 months— price change	relative to market	—Stock price ratios— —price/earnings— 5-year high-low	latest 12 months	1985 est	price/ sales
Collins & Aikman/Feb	CK	n	24– 3	24– 14	23	60%	133	10– 5	8.1	7.4	0.48
Colonial Penn Group/Dec	CPG	n	31– 11	31– 20	27½	16	96	NM– 4	8.7	8.8	0.35
Colorado Natl Bnkshs/Dec	COLC	o	20– 7	20– 15	19⅜	16	96	9– 4	9.1	7.7	0.59
Colt Industries/Dec	COT	n	64– 18	64– 40	59⅞	27	105	15– 5	10.0	8.6	0.63
Columbia Gas System/Dec	CG	n	44– 27	38– 27	27	–24	62	10– 5	7.6	5.7	0.23
Columbia S&L Assoc/Dec	CSLA	o	11– 7*	11– 7†	7⅛	NA	NA	4– 2*	2.3	NA	9.45
Combined Internatl/Dec	PMA	n	46– 16	46– 27	42¾	33	110	11– 5	10.4	9.4	1.07
Combustion Eng/Dec	CSP	n	55– 21	38– 26	34½	17	97	NM– 4	11.5	11.5	0.37
Comerica/Dec	CMCA	o	41– 17	41– 26	37⅜	37	114	8– 4	7.8	6.7	0.38
Commerce Bancshrs/Dec	CBSH	o	51– 18	51– 40	49½	9	91	8– 4	8.4	7.0	0.54
Commerce Union/Dec	COMU	o	35– 8	35– 20	32⅞	51	125	9– 4	8.5	9.4	0.52
Commonwlth Edison/Dec	CWE	n	29– 16	29– 22	29	29	107	10– 5	6.5	6.7	1.04
Comm Psych Ctrs/Nov	CMY	n	34– 4	34– 19	30¼	58	131	32–10	24.8	20.0	5.23
Computervision/Dec	CVN	n	53– 10	46– 20	20⅞	–41	48	50–15	15.9	9.3	1.07
ConAgra/May	CAG	n	31– 5	31– 20	29⅞	41	117	15– 5	14.6	10.3	0.21
Consolidated Edison/Dec	ED	n	31– 10	31– 23	30⅞	30	108	7– 4	6.9	7.2	0.70
Consol Freightways/Dec	CNF	n	36– 9	36– 20	30⅜	31	109	14– 4	10.9	9.8	0.46
Consol Natural Gas/Dec	CNG	n	45– 19	45– 31	42⅞	14	95	10– 5	8.5	8.0	0.50
Consolidated Papers/Dec	CPER	o	43– 12	43– 26	38	48	123	12– 5	10.3	9.2	1.21
Consumers Power/Dec	CMS	n	22– 4	11– 4	6⅜	–42	47	8– 2	5.6	6.0	0.17
Continental Bancorp/Dec	CBRP	o	35– 15	35– 25	33⅛	23	102	9– 4	7.6	6.9	0.78
Continental Corp/Dec	CIC	n	43– 21	43– 24	39¼	39	115	NM– 4	20.6	15.4	0.43
Continental Illinois/Dec	CIL	n	NA–NA	18– 3	8⅜	–51	40	23– 4	NM	17.0	0.10
Continental Telecom/Dec	CTC	n	26– 13	24– 18	22¾	11	92	11– 6	8.5	7.8	0.70
Control Data/Dec	CDA	n	63– 21	39– 24	33	–7	76	60– 4	40.7	10.3	0.25
Cooper Industries/Dec	CBE	n	62– 19	35– 27	29⅜	–3	80	29– 7	13.8	10.1	0.61
Cooper Laboratories/Oct	COO	n	27– 5	27–10	14⅜	17	97	22- 3	3.2	59.0	1.67
CoreStates Financial/Dec	CSFN	o	50– 12	50– 30	49¼	55	129	8– 3	7.9	7.2	0.70
Corning Glass Works/Dec	GLW	n	45– 20	40– 30	35½	13	94	21– 7	16.8	11.2	0.87
Cox Communications/Dec	COX	n	65– 15	65– 40	63¼	54	128	23– 9	20.5	18.5	2.40
CPC International/Dec	CPC	n	45– 27	44– 34	43⅞	17	97	15– 6	11.0	10.3	0.49
Cray Research/Dec	CYR	n	79– 13	79– 39	68	58	131	57–12	22.2	20.6	4.36
Crocker National/Dec	CKN	n	42– 16	28– 16	25½	–5	78	NM– 4	NM	10.4	0.20
Crown Central Petrol/Dec	CNPA	a	34– 9	23– 9	15¾	–24	62	NM–60	NM	10.5	0.06
Crown Cork & Seal/Dec	CCK	n	51– 23	51– 35	50¼	39	115	12– 5	10.6	8.9	0.43
Crown Zellerbach/Dec	ZB	n	63– 15	43– 28	42⅝	21	100	NM– 7	16.3	11.1	0.38
CSX/Dec	CSX	n	28– 12	27– 18	23⅞	7	89	13– 4	7.6	6.7	0.45
Cullen/Frost Bankers/Dec	CFBI	o	34– 12	34– 19	19⅞	–37	51	NM– 5	9.6	8.4	0.39
Cullinet Software/Apr	CUL	n	33– 2	33– 12	27¼	70	141	45– 9	29.9	25.0	4.89
Cullum Companies/Jun	CULL	o	23– 6	23– 12	22¾	75	145	12– 4	11.8	10.6	0.15
Cummins Engine/Dec	CUM	n	89– 26	89– 61	74¼	–3	80	NM– 3	3.8	4.3	0.30
Cyclops/Dec	CYL	n	52– 14	52– 28	48½	44	120	NM– 4	10.1	8.7	0.14
Dallas Fedl Finl/Dec	DFFC	o	30– 11	30– 14	28½	97	164	73–17	55.9	15.9	0.38
Dana/Dec	DCN	n	33– 12	30– 21	27	8	90	25– 5	7.9	6.8	0.42
Dart & Kraft/Dec	DKI	n	93– 39	93– 71	91¾	27	105	12– 5	10.2	8.9	0.45
Data General/Sep	DGN	n	76– 10	76– 39	43¼	–2	81	65– 7	12.3	12.1	0.86
Dauphin Deposit/Dec	DAPN	o	38– 13	36– 25	35	18	98	9– 4	7.9	6.9	0.66
Dayton-Hudson/Jan	DH	n	41– 9	39– 26	37⅞	31	109	16– 5	14.1	11.7	0.46

*Range is for less than 5 years. †Range is for less than 12 months. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
6.0%	$2.84	$2.96E	$3.10	4%	14	very high	$0.64	23%	11%	21.6	43%
4.1	3.16	3.16	3.13	–1	9	average	1.40	44	0	16.1	45
6.5	2.13	2.13	2.51	18	5	low	0.74	35	10	9.9	27
7.1	5.99	5.99	6.99	17	5	high	2.50	42	13	19.6	39
3.3	3.53	3.53	4.74	34	16	average	3.18	90	3	39.4	43
7.2	3.37	3.37	NA	NA	NA	NA	0.00	NA	NA	7.2	13
10.5	4.12	4.12	4.57	11	17	high	2.16	52	9	31.9	38
3.3	3.00	3.00	2.99	0	15	low	1.84	61	8	33.2	37
5.6	4.81	4.81	5.61	17	5	average	2.10	43	5	10.4	38
6.5	5.90	5.90	7.10	20	3	very high	2.00	34	6	5.2	25
6.2	3.89	3.89	3.51	–10	7	average	0.92	24	2	4.6	25
17.8	4.43	4.43	4.36	–2	21	high	3.00	68	4	174.0	39
20.8	1.22	1.22	1.51	23	27	high	0.24	20	22	30.0	58
6.8	1.31	1.31	2.25	72	25	average	0.00	NA	NA	28.6	55
1.5	2.04	2.61E	2.91	11	14	high	0.87	43	15	33.2	26
10.8	4.48	4.48	4.28	–5	22	high	2.40	54	12	129.9	31
4.4	2.81	2.81	3.14	11	17	average	1.00	36	9	25.8	83
5.9	5.07	5.07	5.37	6	18	very high	2.32	46	7	41.1	28
11.7	3.70	3.70	4.12	11	10	low	1.28	35	5	21.8	12
6.8	1.14	1.14	1.07	–6	14	very low	0.00	NA	NA	88.1	11
9.7	4.34	4.34	4.83	11	5	high	2.04	47	9	9.4	12
2.2	1.93	1.93	2.58	34	21	very low	2.60	135	4	49.9	68
NM	–26.99	–26.99	0.51	NM	7	low	0.00	NA	7	45.9	8
8.4	2.67	2.67	2.91	9	21	high	1.72	64	5	71.8	42
0.6	0.81	0.81	3.20	295	15	average	0.72	89	32	38.3	51
5.3	2.13	2.13	2.90	36	19	low	1.52	71	9	42.1	55
47.3	4.57	4.96	0.25	–95	3	very low	0.00	0	9	18.2	16
9.7	6.30	6.30	6.91	10	14	very high	2.08	33	10	15.2	30
5.1	2.11	2.11	3.16	50	9	average	1.28	61	1	42.3	59
11.8	3.09	3.09	3.41	10	22	very high	0.34	11	10	28.2	44
4.4	3.98	3.98	4.28	8	15	high	2.20	55	7	48.6	49
19.8	3.06	3.06	3.30	8	14	average	0.00	NA	NA	14.7	70
NM	–15.93	–15.93	2.46	NM	3	very low	0.40	NM	–14	20.5	76
NM	–0.38	–0.38	1.50	NM	3	very low	0.00	NA	NA	6.3	9
4.3	4.78	4.78	5.71	19	5	very high	0.00	NA	NA	11.5	42
2.8	2.61	2.61	3.84	47	13	low	1.00	38	–24	27.2	42
5.9	3.15	3.15	3.54	12	24	average	1.04	33	5	148.8	49
4.1	2.06	2.06	2.38	16	3	average	0.94	46	13	7.[illegible]	16
13.6	0.91	0.80E	1.09	36	17	average	0.00	NA	NA	29.9	13
1.2	1.93	1.53	2.15	41	2	average	0.56	29	8	8.2	21
8.1	19.76	19.76	17.46	–12	10	low	2.20	11	3	9.4	66
1.4	4.82	4.82	5.60	16	3	average	1.10	23	–6	3.8	53
NM	–1.32	–1.32	NA	NA	NA	NA	0.00	NA	NA	3.1	NA
5.4	3.40	3.40	3.95	16	10	average	1.28	38	3	56.3	53
4.7	9.02	9.02	10.24	14	17	very high	4.24	47	24	47.8	53
7.4	3.55	3.08	3.63	18	28	low	0.00	NA	NA	24.4	72
8.4	4.45	4.45	5.05	13	1	NA	1.96	44	7	4.6	11
3.2	2.68	2.68	3.24	21	25	very high	0.74	28	10	96.9	58

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker	Exch	—Stock price— 5-year high-low	12-month high-low	recent	—Stock performance— —latest 12 months— price change	relative to market	—Stock price ratios— —price/earnings— 5-year high-low	latest 12 months	1985 est	price/ sales
Dayton P&L/Dec	DPL	n	19– 11	17– 12	15¼	9%	91	8– 4	6.9	7.0	0.60
Deere/Oct	DE	n	50– 22	34– 25	31⅛	–6	77	NM– 6	28.3	26.2	0.49
Delmarva Power & Lt/Dec	DEW	n	24– 10	24– 17	23¼	29	107	9– 6	8.8	8.6	1.01
Delta Air Lines/Jun	DAL	n	51– 16	48– 27	45⅜	27	105	NM– 5	7.0	7.9	0.41
Deluxe Check Printers/Dec	DLX	n	35– 8	35– 18	32⅜	72	143	16– 5	16.1	14.1	2.04
Deposit Guaranty/Dec	DEPS	o	44– 21	44– 36	42¼	1	84	9– 4	8.6	6.8	0.51
Detroit Edison/Dec	DTE	n	16– 10	16– 12	15¾	22	101	9– 5	7.2	7.1	0.88
Diamond Shamrock/Dec	DIA	n	40– 17	23– 17	18	–4	79	NM– 6	10.1	8.7	0.50
Digital Equipment/Jun	DEC	n	132– 57	126– 77	99¾	10	91	26– 9	12.0	12.2	0.94
Digital Switch/Dec	DIGI	o	48– 2	30– 17	22½	0	82	NM–13	16.1	11.4	2.49
Dillard Dept Stores/Jan	DDSA	a	62– 3	62– 22	60½	157	213	17– 4	16.7	14.4	0.33
Walt Disney/Sep	DIS	n	85– 41	81– 45	79⅞	30	108	62– 9	61.4	18.4	1.48
Dominion Bankshares/Dec	DMBK	o	30– 10	30– 19	28¾	35	112	9– 4	8.8	7.6	0.60
Dominion Resources/Dec	D	n	30– 14	30– 21	28½	33	110	8– 5	8.2	8.0	0.95
RR Donnelley & Sons/Dec	DNY	n	55– 12	55– 35	52¾	43	119	16– 7	15.1	13.1	1.11
Dover/Dec	DOV	n	43– 17	43– 32	35¾	10	91	18– 7	12.7	10.6	0.98
Dow Chemical/Dec	DOW	n	39– 20	33– 26	28⅞	–6	77	36– 6	10.2	9.3	0.48
Dow Jones/Dec	DJ	n	56– 9	51– 36	44¼	22	101	32–10	22.0	19.2	2.95
Downey S&L/Dec	DSL	a	14– 3	13– 7	11⅛	20	100	NM– 3	4.3	5.6	0.22
Dresser Industries/Oct	DI	n	57– 12	23– 15	20½	–1	81	NM– 4	15.5	11.8	0.41
EI Du Pont/Dec	DD	n	57– 30	55– 43	51⅞	8	90	14– 5	8.7	8.0	0.35
Duke Power/Dec	DUK	n	32– 15	32– 23	31⅞	34	111	8– 5	8.0	7.8	1.19
Dun & Bradstreet/Dec	DNB	n	73– 17	73– 51	71¾	25	104	26–10	10.5	18.2	2.28
Duquesne Light/Dec	DQU	n	18– 11	16– 12	15½	14	95	11– 5	7.0	6.5	1.17
E-Systems/Dec	ESY	n	45– 7	32– 22	27¼	18	98	31–11	13.5	12.5	0.99
Eastern Air Lines/Dec	EAL	n	13– 4	6– 4	5¾	–1	81	NM–NM	NM	71.9	0.06
Eastern Gas & Fuel/Dec	EFU	n	33– 14	29– 21	22¼	0	83	31– 5	30.5	8.3	0.39
Eastman Kodak/Dec	EK	n	98– 44	78– 60	67⅜	3	86	27– 7	11.8	10.3	0.99
Eaton/Dec	ETN	n	60– 20	60– 38	52⅛	7	89	NM– 4	6.6	6.2	0.48
Jack Eckerd/Jul	ECK	n	35– 13	33– 20	29	17	97	19– 8	12.1	11.0	0.39
EG&G/Dec	EGG	n	40– 12	40– 26	37½	33	110	26–11	19.9	16.6	0.94
El Paso Electric/Dec	ELPA	o	16– 8	15– 10	14⅜	25	104	6– 4	5.0	4.9	1.47
Emerson Electric/Sep	EMR	n	78– 30	78– 58	73	19	99	15– 8	13.9	12.2	1.16
Emhart/Dec	EMH	n	32– 11	32– 25	26¾	0	83	10– 4	8.2	7.3	0.41
Engelhard/Dec	EC	n	45– 17	33– 23	28½	–11	73	25– 6	16.6	10.1	0.31
Enserch/Dec	ENS	n	40– 16	30– 18	29⅛	45	120	21– 5	17.4	15.2	0.46
Equimark/Dec	EQK	n	12– 3	7– 3	6⅛	53	127	NM– 4	NM	61.3	0.10
Equitable Bancorp/Dec	EBNC	o	24– 5	24– 16	21½	32	110	16– 4	8.4	6.9	0.43
Equitable Resources/Dec	EQT	n	42– 9	42– 29	38⅝	14	95	10– 3	6.2	6.4	0.84
Ethyl/Dec	EY	n	19– 5	19– 10	18½	56	130	12– 4	11.5	9.4	1.42
Evans Products/Dec	QEVY	n	24– 2	8– 2	2¼	–64	29	NM– 4	NM	NM	0.00
Exxon/Dec	XON	n	50– 25	50– 37	49⅜	31	109	8– 4	7.3	7.2	0.43
Farm & Home Sav/Dec	FAHS	o	28– 12	28– 14	27⅜	96	163	71–17	42.8	28.2	0.64
Farm House Foods/Mar	FHFC	o	7– 2	5– 3	4⅜	–2	81	NM– 4	5.1	21.9	0.03
Farmers Group/Dec	FGRP	o	60– 23	60– 34	55¾	52	126	12– 7	11.7	10.6	2.12
Federal Co/May	FFF	n	38– 13	38– 30	34¾	3	86	13– 6	6.7	8.3	0.21
Federal Express/May	FDX	n	49– 10	45– 28	35⅞	10	91	29– 9	22.4	11.8	0.98
Fed'l Natl Mortgage/Dec	FNM	n	30– 6	19– 11	16¼	7	89	NM– 8	NM	15.2	0.12

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
10.2%	$2.20	$2.20	$2.18	–1%	12	average	$2.00	91%	4%	39.6	16%
1.7	1.10	1.43	1.19	–17	25	very low	1.00	91	–19	67.8	61
13.1	2.63	2.63	2.71	3	19	high	1.92	70	5	30.3	21
5.8	6.50	4.42	5.73	30	19	low	0.80	12	–3	40.0	59
12.9	2.01	2.01	2.30	14	15	very high	0.92	46	41	43.3	48
5.9	4.89	4.89	6.18	26	4	average	2.20	45	8	3.2	12
16.1	2.20	2.20	2.22	1	16	average	1.68	76	–2	138.8	20
5.4	1.78	1.78	2.08	17	19	low	1.76	99	2	125.2	34
7.8	8.28	5.73	8.20	43	35	low	0.00	NA	NA	58.1	82
16.3	1.40	1.40	1.98	41	21	average	0.00	NA	NA	38.9	35
3.9	3.63	3.63	4.20	16	4	average	0.20	6	15	13.9	29
2.5	1.30	0.61	4.33	610	21	low	1.20	92	34	33.0	26
7.0	3.25	3.25	3.78	16	8	very high	1.20	37	4	9.9	23
11.3	3.46	3.46	3.56	3	23	high	2.72	79	5	87.1	24
7.4	3.50	3.50	4.02	15	9	very high	1.16	33	15	38.3	65
7.8	2.82	2.82	3.38	20	8	high	0.82	29	12	35.6	40
4.8	2.83	2.83	3.12	10	27	low	1.80	64	2	192.3	46
13.4	2.01	2.01	2.31	15	16	high	0.78	39	14	64.3	31
5.1	2.58	2.58	2.00	–22	1	NA	0.00	NA	NA	4.7	10
2.0	1.32	1.24	1.74	40	29	low	0.80	61	8	74.8	62
4.0	5.93	5.93	6.48	9	27	high	3.00	51	–1	239.6	34
17.0	3.98	3.98	4.09	3	22	high	2.48	62	5	100.9	45
21.8	6.86	6.86	3.95	–42	14	very high	1.88	27	16	76.1	67
18.2	2.21	2.21	2.37	7	10	average	2.06	93	4	64.5	8
7.5	2.02	2.02	2.18	8	23	average	0.50	25	23	29.7	39
NM	–1.53	–1.53	0.08	NM	13	very low	0.00	NA	NA	43.4	3
1.3	0.73	0.73	2.66	266	11	average	1.30	178	8	22.9	49
8.7	5.71	5.71	6.54	15	22	average	3.75	66	2	155.6	53
7.2	7.85	7.85	8.40	7	15	average	1.20	15	–16	32.6	60
3.2	2.40	2.27	2.64	16	16	high	1.04	43	8	37.6	53
5.0	1.88	1.88	2.26	20	12	high	0.48	26	11	26.8	41
32.9	2.88	2.88	2.91	1	7	average	1.46	51	5	33.4	15
8.4	5.27	5.10	5.97	17	18	high	2.60	49	9	68.5	56
5.0	3.27	3.27	3.67	12	6	average	1.40	43	5	27.6	44
1.8	1.72	1.72	2.83	65	8	low	0.72	42	29	26.9	32
3.4	1.67	1.67	1.91	14	17	average	1.60	96	8	55.4	46
NM	–9.14	–9.14	0.10	NM	1	NA	0.00	NA	NA	5.0	9
7.1	2.56	2.56	3.13	22	2	very high	0.84	33	27	7.2	21
13.4	6.20	6.20	6.07	–2	9	average	1.72	28	27	12.0	31
7.4	1.61	1.61	1.97	22	20	average	0.56	35	5	64.5	43
NM	–6.96	–5.00E	–5.50E	NM	2	low	0.00	NA	NA	13.8	56
6.1	6.77	6.77	6.84	1	35	high	3.40	50	4	798.6	32
1.5	0.64	0.64	0.97	52	2	very low	0	NA	NA	6.9	NA
0.5	0.86	–0.15E	0.20	NM	1	NA	0.00	NA	NA	8.6	3
17.8	4.76	4.76	5.28	11	18	very high	1.76	37	11	34.0	54
3.2	5.15	4.06E	4.17	3	5	low	1.64	32	11	8.1	25
4.4	1.60	1.45E	3.04	110	12	low	0.00	NA	NA	46.7	61
NM	–0.87	–0.87	1.07	NM	19	very low	0.16	NM	–35	65.8	59

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

			Stock price			Stock performance—latest 12 months		Stock price ratios			
								price/earnings			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Federated Dept Strs/Jan	FDS	n	69– 21	58– 43	55⅝	14%	95	11– 4	8.2	8.2	0.28
Fidelcor/Dec	FICR	o	52– 9	52– 36	48⅝	30	108	7– 3	6.6	6.3	0.40
Fifth Third Bancorp/Dec	FITB	o	44– 12	44– 32	42¾	34	111	9– 4	8.8	7.8	0.88
Fin Corp of America/Dec	FIN	n	33– 2	18– 4	7⅛	–58	34	NM– 3	NM	3.3	0.08
Fin Cp Santa Barbara/Dec	FSB	n	19– 3	8– 3	3⅝	–51	40	NM– 6	NM	14.5	0.05
Firestone/Oct	FIR	n	24– 6	20– 16	18⅛	2	85	NM– 4	9.1	9.1	0.20
First Alabama Bshs/Dec	FABC	o	25– 9	25– 17	25⅛	40	116	9– 4	8.8	7.9	1.04
First American/Dec	FATN	o	29– 8	29– 18	28¾	47	122	9– 4	8.4	7.5	0.72
First Atlanta/Dec	FAC	n	19– 3	19– 13	18½	21	100	8– 3	8.4	7.8	0.64
First Bank System/Dec	FBS	n	35– 14	35– 21	32¼	24	103	8– 4	7.8	7.0	0.37
First Boston/Dec	FBC	n	71– 5	71– 34	66¾	73	144	9– 2	10.7	8.4	0.41
First Chicago/Dec	FNB	n	28– 11	27– 19	22⅞	–6	77	23– 4	19.2	5.6	0.24
First Citizens/Dec	—	—	2300–340	2300–1600	2050	NA	NA	NA– NA	7.1	NA	0.81
First City Bancorp/Dec	FBT	n	41– 13	20– 13	14¾	–24	62	22– 4	7.5	6.0	0.27
First Columbia Fincl/Dec	FCLF	o	21– 3*	18– 10	15¾	17	97	NM– 3*	6.9	NA	0.13
First Empire State/Dec	FEMP	o	49– 9	49– 31	48¼	52	126	21– 3	7.9	7.4	0.51
First Executive/Dec	FEXC	o	19– 1	15– 8	14⅜	20	100	20– 4	12.5	10.3	0.36
First Federal Mich/Dec	FFOM	o	15– 6	15– 6	14⅜	98	164	4– 2	5.2	5.0	0.14
First Federal S&L/Dec	FED	n	21– 10*	21– 11	18⅞	68	140	10– 4*	6.6	6.0	0.25
First Florida Banks/Dec	FFBK	o	24– 4	24– 17	23	25	104	10– 3	9.4	8.2	1.03
First Hawaiian/Dec	FHWN	o	31– 11	31– 20	28	35	112	8– 4	7.7	7.1	0.63
First Interstate/Dec	I	n	48– 22	48– 30	46¼	20	100	8– 4	7.5	6.9	0.39
First Kentucky Natl/Dec	FKYN	o	29– 7	29– 18	28	45	120	11– 4	10.6	9.6	1.03
First Maryland Bncp/Dec	FMDB	o	34– 13	34– 22	33¾	43	119	9– 3	8.8	7.6	0.47
First National Cinc/Dec	FNAC	o	54– 20	54– 38	52	25	104	9– 4	8.7	7.8	0.87
First Natl State Bcp/Dec	FNS	n	50– 16	50– 31	48⅜	25	104	8– 3	7.3	6.5	0.48
First Natl Supermkts/Mar	FOOD	o	24– 4	18– 8	15½	88	156	NM– 2	NM	7.8	0.03
First of America Bnk/Dec	FABK	o	30– 8	30– 18	29¾	46	121	7– 3	6.5	6.5	0.41
First Oklahoma Bncp/Dec	FOKL	o	27– 8	15– 8	9⅛	–25	61	NM– 5	NM	7.3	0.27
First Pennsylvania/Dec	FPA	n	9– 2	8– 5	7	6	88	NM–NM	NM	11.7	0.21
First Security/Dec	FSCO	o	28– 14	26– 15	23⅝	6	88	16– 4	12.4	9.4	0.48
First Tennessee Natl/Dec	FTEN	o	36– 10	36– 21	35⅛	56	130	9– 4	8.6	7.8	0.65
First Union/Dec	FUNC	o	40– 7	40– 23	37¼	48	123	9– 3	8.6	7.7	0.89
First Virginia Banks/Dec	FVB	n	22– 6	22– 15	21⅝	31	109	9– 4	8.9	8.0	0.97
First Wisconsin/Dec	FWB	n	28– 10	28– 16	26¼	26	105	8– 3	7.7	6.5	0.38
Fleet Financial/Dec	FLT	n	34– 8	34– 20	32	34	111	9– 3	8.2	7.6	0.68
Fleetwood Enterprises/Apr	FLE	n	42– 3	29– 14	21⅛	–11	73	45–14	8.4	7.5	0.36
Fleming Cos/Dec	FLM	n	39– 8	39– 22	38⅛	56	130	14– 5	14.1	12.5	0.14
Florida Federal S&L/Jun	FLFE	o	21– 13	20– 13	17⅝	12	93	NA– 7	18.6	14.1	0.33
Florida Natl Banks/Dec	FNBF	o	35– 8	35– 24	34½	30	108	17– 5	10.2	9.4	0.70
Florida Progress/Dec	FPC	n	25– 12	25– 19	24¼	26	105	9– 4	8.9	8.4	0.79
Fluor/Oct	FLR	n	71– 12	23– 15	18⅜	–13	71	67– 5	NM	141.3	0.34
FMC/Dec	FMC	n	68– 22	68– 43	62¼	46	121	56– 5	51.4	7.5	0.46
Food Lion/Dec	FDLNB	o	18– 3	18– 9	16⅝	58	131	34– 9	23.4	19.3	0.60
Ford Motor/Dec	F	n	51– 11	51– 33	42⅝	18	98	NM– 2	2.7	3.0	0.15
Fort Howard Paper/Dec	FHP	n	68– 18	68– 48	66	30	108	17– 8	15.6	13.3	1.56
Foster Wheeler/Dec	FWC	n	31– 10	15– 10	14¼	0	82	18– 5	13.8	13.3	0.37
FPL Group/Dec	FPL	n	23– 11	23– 18	21⅝	18	98	9– 5	8.3	7.8	0.65

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

	Earnings						Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
3.4%	$6.77	$6.77	$6.79	0%	25	high	$2.40	36%	7%	48.6	61%
6.5	7.38	7.38	7.70	4	9	high	2.40	33	59	5.3	42
14.3	4.87	4.87	5.46	12	4	very high	1.47	30	11	7.5	29
NM	−15.84	−15.84	2.15	NM	6	very low	0.20	NM	48	38.8	15
NM	−4.93	−4.93	0.25	NM	1	NA	0.00	NA	NA	4.4	7
2.3	1.99	1.68	2.00	19	10	low	0.80	40	22	43.1	47
11.7	2.84	2.84	3.20	13	8	very high	1.12	39	9	15.4	37
7.9	3.44	3.44	3.83	11	5	high	1.10	32	8	9.2	21
8.2	2.21	2.21	2.38	8	12	high	0.68	31	18	25.5	30
5.6	4.15	4.15	4.62	11	20	average	1.60	39	7	27.3	63
4.0	6.22	6.22	7.98	28	3	very high	2.60	42	24	12.4	28
1.9	1.19	1.19	4.11	245	24	average	1.32	111	3	46.9	60
9.0	288.25	288.25	NA	NA	NA	NA	10.00	3	8	0.1	NA
4.3	1.97	1.97	2.45	24	17	low	1.30	66	9	32.3	35
1.9	2.28	2.28	4.10	80	1	NA	0.00	NA	NA	2.5	27
6.6	6.07	6.07	6.50	7	1	NA	1.20	20	54	2.8	9
3.8	1.15	1.15	1.39	21	8	average	0.00	NA	NA	44.3	21
2.7	2.76	2.76	2.87	4	1	NA	0.00	NA	NA	9.9	50
3.9	2.88	2.88	3.13	9	4	low	0.60	20	NA	6.3	14
11.7	2.45	2.45	2.80	14	4	high	0.40	16	2	15.6	20
8.1	3.62	3.62	3.95	9	1	NA	1.40	39	5	6.7	24
5.6	6.16	6.16	6.67	8	24	very high	2.34	38	6	42.0	64
9.7	2.64	2.64	2.93	11	8	very high	1.00	38	12	13.4	54
5.1	3.85	3.85	4.44	15	4	high	1.60	42	6	6.1	14
10.0	6.00	6.00	6.70	12	3	very high	2.48	41	6	5.0	19
7.7	6.67	6.67	7.41	11	6	average	2.88	43	8	10.7	15
NM	−2.44	0.50E	2.00	300	1	NA	0.02	NM	NA	2.6	16
6.9	4.58	4.58	4.55	−1	2	high	1.20	26	5	6.7	20
NM	−2.90	−2.90	1.25	NM	2	very low	0.00	NA	NA	9.8	50
NM	−0.12	−0.13	0.60	NM	5	very low	0.00	NA	NA	17.4	22
3.9	1.90	1.90	2.51	32	5	average	1.10	58	5	12.1	32
7.5	4.10	4.10	4.51	10	7	average	1.60	39	15	9.3	14
9.7	4.33	4.33	4.85	12	19	very high	1.12	26	8	19.8	35
11.7	2.44	2.44	2.69	10	8	very high	0.84	34	12	14.3	15
5.4	3.40	3.40	4.05	19	6	average	1.20	35	8	8.5	34
8.9	3.89	3.89	4.21	8	13	high	1.32	34	9	15.3	45
4.4	2.52	2.43E	2.80	15	9	low	0.36	14	6	23.3	37
0.9	2.70	2.70	3.04	13	11	high	0.88	34	12	19.8	34
1.8	0.95	1.61	1.25	−22	2	very low	0.20	21	NA	9.3	12
7.2	3.37	3.37	3.68	9	2	high	0.72	21	9	11.9	36
8.6	2.71	2.71	2.88	6	18	high	2.16	80	7	43.7	31
NM	−0.61	0.01	0.13	1,200	13	very low	0.40	NM	−8	79.0	28
1.1	1.21	1.21	8.35	590	11	average	2.20	182	6	24.9	49
2.5	0.71	0.71	0.86	21	5	very high	0.07	10	12	52.6	5
5.6	15.79	15.79	14.44	−9	17	low	2.00	13	199	186.1	60
9.9	4.22	4.22	4.96	18	21	high	1.64	39	19	31.7	42
2.7	1.03	1.03	1.07	4	9	average	0.44	43	4	34.3	33
7.7	2.62	2.62	2.79	6	22	high	1.88	72	9	115.9	47

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

			—Stock price—			—Stock performance— —latest 12 months—		—Stock price ratios—			
								—price/earnings—			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Freeport-McMoRan/Dec	FTX	n	41– 12*	25– 14	20⅜	–15%	70	25– 7*	15.4	11.3	1.64
Fruehauf/Dec	FTR	n	34– 10	29– 19	23½	–7	76	NM– 5	5.5	4.8	0.16
Gannett/Dec	GCI	n	59– 17	59– 36	58¼	60	133	21– 9	20.8	17.4	2.38
GATX/Dec	GMT	n	43– 20	38– 26	33⅝	14	95	NM– 5	14.2	11.8	0.53
Geico/Dec	GEC	n	78– 8	78– 49	75½	35	112	15– 3	14.8	13.0	1.42
Gelco/Jul	GEL	n	37– 13	19– 13	18¼	7	89	NM– 3	13.5	10.8	0.26
GenCorp/Nov	GY	n	41– 11	41– 30	40¼	22	101	NM– 5	NM	9.5	0.32
General Cinema/Oct	GCN	n	35– 4	35– 17	33	83	152	15– 7	10.8	14.5	0.87
General Dynamics/Dec	GD	n	84– 19	84– 44	73	58	131	19– 7	9.0	7.3	0.40
General Electric/Dec	GE	n	65– 22	65– 48	61⅞	20	100	14– 7	12.3	11.0	1.01
General Foods/Mar	GF	n	62– 24	62– 45	61½	28	106	10– 5	9.2	8.8	0.33
General Host/Jan	GH	n	15– 3	15– 8	12⅞	39	115	62– 2	2.6	7.1	0.43
General Mills/May	GIS	n	60– 21	60– 46	56⅞	23	102	14– 6	13.6	10.3	0.45
General Motors/Dec	GM	n	85– 34	85– 61	73¾	15	96	NM– 4	5.2	4.6	0.28
General Public Utils/Dec	GPU	n	13– 3	13– 7	11¾	47	122	30– 5	5.7	6.2	0.27
General Re/Dec	GRN	n	76– 20	76– 46	74⅛	29	107	47– 6	46.3	19.2	1.81
General Signal/Dec	GSX	n	54– 28	54– 40	46⅛	3	86	17– 7	12.1	9.9	0.74
Genuine Parts/Dec	GPC	n	36– 13	36– 24	33	29	107	17– 9	15.0	13.0	0.78
Georgia Federal Bank/Dec	GFED	o	13– 7	13– 7	12½	22	101	27–18	27.2	8.1	0.39
Georgia-Pacific/Dec	GP	n	32– 13	27– 18	22⅛	–4	79	57– 5	22.8	7.6	0.34
Giant Food/Feb	GFSA	a	35– 4	35– 21	34½	56	130	10– 4	12.0	10.4	0.25
Gibraltar Financial/Dec	GFC	n	16– 3	11– 6	9⅞	11	92	NM– 3	5.2	4.3	0.17
Gillette/Dec	GS	n	60– 18	60– 43	58½	22	101	12– 5	11.3	10.3	0.79
Glendale Federal S&L/Jun	GLEN	o	14– 7	12– 7	9⅞	8	90	8– 3	4.5	4.3	0.16
Golden West Finl/Dec	GDW	n	31– 5	28– 11	26¾	56	130	NM– 3	6.8	6.1	0.53
BF Goodrich/Dec	GR	n	44– 16	36– 25	29⅜	–9	75	NM– 4	11.7	8.0	0.19
Goodyear/Dec	GT	n	37– 11	29– 23	26½	1	84	14– 5	6.8	6.4	0.28
Gould/Dec	GLD	n	44– 19	32– 19	23⅜	–20	66	64– 6	58.4	10.7	0.74
WR Grace/Dec	GRA	n	64– 29	45– 37	40⅞	0	83	16– 5	10.2	9.3	0.29
WW Grainger/Dec	GWW	n	69– 25	69– 47	62½	15	96	20– 8	13.1	11.5	0.85
Gr Amer Fst Savings/Dec	GTA	n	16– 8*	16– 8	14	32	110	9– 3*	8.6	NA	0.25
Great Atl & Pac Tea/Feb	GAP	n	18– 4	18– 13	16¾	21	100	NM–11	12.4	13.4	0.11
Great Lakes Fedl S&L/Dec	GLFS	o	11– 6*	11– 6	9¾	32	110	7– 3*	4.5	3.5	0.14
Gt Northern Nekoosa/Dec	GNN	n	43– 19	43– 31	34⅞	–13	71	13– 5	7.6	7.8	0.47
Gt Western Financial/Dec	GWF	n	32– 10	29– 17	25⅝	33	110	NM– 5	9.9	6.7	0.36
Greyhound/Dec	G	n	29– 13	29– 19	27⅞	12	93	19– 5	10.9	8.8	0.60
Grumman/Dec	GQ	n	34– 9	30– 22	26⅜	17	97	28– 6	7.3	5.7	0.29
GTE/Dec	GTE	n	48– 22	45– 36	40¾	12	93	10– 6	7.7	6.9	0.57
Guarantee Fincl Cal/Dec	GFCC	o	10– 3	7– 5	6½	0	83	NM– 4	13.0	6.8	0.14
Gulf & Western Inds/Jul	GW	n	35– 11	35– 25	32¾	6	88	14– 3	9.0	10.0	0.53
Gulf States Utils/Dec	GSU	n	16– 9	14– 10	13⅝	12	93	7– 4	5.9	5.9	0.83
Halliburton/Dec	HAL	n	87– 21	44– 26	29⅞	–27	60	20– 4	10.4	9.5	0.60
Hammermill Paper/Dec	HML	n	37– 13	37– 26	30⅜	–2	81	23– 4	8.0	7.1	0.23
Harris Corp/Jun	HRS	n	60– 20	35– 23	27¾	0	82	29– 8	12.2	12.2	0.51
Hartford National/Dec	HNAT	o	30– 7	30– 19	28⅜	30	108	9– 3	7.5	6.6	0.65
HJ Heinz/Apr	HNZ	n	49– 12	49– 32	48	39	115	13– 6	12.7	11.2	0.80
Hercules/Dec	HPC	n	43– 15	37– 27	32¼	–1	81	18– 5	9.1	7.7	0.67
Hershey Foods/Dec	HSY	n	42– 10	42– 28	42	46	121	12– 4	12.1	10.7	0.70

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
11.2%	$1.32	$1.32	$1.80	36%	15	low	$0.60	46%	2%	67.7	30%
3.1	4.31	4.31	4.94	15	4	average	0.60	14	–41	19.0	64
11.4	2.80	2.80	3.34	19	20	very high	1.48	53	9	80.1	74
4.3	2.37	2.37	2.86	21	6	average	1.20	51	–14	13.3	65
10.1	5.11	5.11	5.82	14	16	high	1.00	20	20	18.8	68
1.9	1.35	0.94	1.69	80	9	average	0.56	42	–12	13.8	62
0.3	0.32	0.32	4.24	NM	8	average	1.47	NM	2	21.9	41
12.3	3.06	2.94	2.28	–22	14	very high	0.40	13	14	24.6	50
4.9	8.08	8.08	10.03	24	30	average	1.00	12	6	44.4	31
8.2	5.03	5.03	5.61	12	21	very high	2.20	42	9	453.3	49
3.8	6.69	6.22E	6.98	12	20	very high	2.50	37	4	50.4	55
16.3	4.87	4.87	1.81	–63	5	low	0.30	6	17	18.9	47
3.3	4.18	4.70E	5.51	17	18	average	2.24	54	12	44.3	64
5.4	14.22	14.22	16.09	13	19	average	5.00	35	16	317.5	39
4.7	2.05	2.05	1.91	–7	10	low	0.00	NA	NA	62.9	20
8.3	1.60	1.60	3.87	142	21	low	1.56	44	21	45.1	82
6.1	3.80	3.80	4.67	23	13	very high	1.80	47	6	28.6	53
5.2	2.20	2.20	2.54	15	18	very high	1.18	54	10	54.3	59
1.4	0.46	0.46	1.55	137	2	average	0.00	NA	NA	7.9	NA
1.8	0.97	0.97	2.90	199	18	average	0.80	32	–18	102.5	51
2.0	2.87	2.96E	3.31	12	6	very high	0.80	28	20	14.8	26
3.3	1.89	1.89	2.28	21	12	very low	0.00	NA	NA	16.6	24
7.0	5.18	5.18	5.69	10	17	high	2.60	50	8	30.8	58
3.5	2.19	2.03	2.31	14	6	low	0.00	NA	NA	21.0	14
7.7	3.91	3.91	4.35	11	17	low	0.20	5	NA	20.7	54
1.8	2.52	2.52	3.69	46	12	average	1.56	62	0	22.4	71
4.0	3.87	3.87	4.15	7	12	average	1.60	41	4	106.1	65
1.3	0.40	0.40	2.19	448	17	average	0.68	170	–16	44.2	56
2.9	4.02	4.02	4.41	10	15	average	2.80	70	6	48.5	31
6.5	4.76	4.76	5.44	14	19	very high	1.24	26	6	14.4	57
2.9	1.62	1.62	NA	NA	NA	NA	0.40	25	NA	12.5	9
0.9	1.35	1.05E	1.25	19	1	NA	0.00	NA	NA	37.6	20
3.0	2.17	2.17	2.75	27	1	NA	0.00	NA	NA	3.2	26
6.4	4.60	4.60	4.50	–2	14	low	1.52	33	6	25.0	61
3.3	2.60	2.60	3.84	48	17	low	0.88	34	–5	40.0	62
5.6	2.56	2.56	3.15	23	12	low	1.20	47	0	47.6	36
4.2	3.62	3.62	4.64	28	19	average	1.00	28	8	28.6	31
7.4	5.32	5.32	5.93	11	28	high	3.08	58	3	204.2	43
1.1	0.50	0.50	0.95	90	1	NA	0.00	NA	NA	6.1	2
5.0	3.62	3.62	3.27	–10	13	high	0.90	29	6	70.1	46
16.7	2.30	2.30	2.30	0	17	high	1.64	71	4	93.6	22
6.1	2.87	2.87	3.14	9	30	low	1.80	63	17	108.4	60
3.0	3.78	3.78	4.29	13	9	average	1.36	36	2	13.8	46
4.1	2.27	2.02	2.28	13	22	average	0.88	39	3	40.2	48
9.3	3.80	3.80	4.28	11	6	very high	1.60	42	9	14.6	24
6.4	3.78	3.80	4.27	12	16	very high	1.60	42	19	68.1	55
7.7	3.54	3.54	4.18	18	22	average	1.60	45	5	53.4	67
5.7	3.47	3.47	3.91	13	13	very high	1.40	40	13	31.3	22

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; FORBES.

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								—price/earnings—			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Hewlett-Packard/Oct	HWP	n	48– 13	44– 31	33	–7	76	31–12	15.1	13.6	1.35
Hilton Hotels/Dec	HLT	n	63– 26	63– 46	59½	15	96	17– 7	13.7	13.1	2.27
Holiday Inns/Dec	HIA	n	59– 14	53– 35	50	16	96	27– 6	13.9	11.9	0.82
Home Federal S&L-Cal/Dec	HFD	o	26– 12*	23– 12	22	64	136	16– 4*	7.4	5.6	0.47
Homestake Mining/Dec	HM	n	44– 8	35– 20	25⅛	–22	64	55– 5	42.6	31.8	4.29
Honeywell/Dec	HON	n	70– 30	67– 46	59¾	9	91	14– 5	11.7	8.7	0.46
Horizon Bancorp/Dec	HZB	n	26– 6	26– 19	23⅞	19	99	9– 3	8.0	7.1	0.67
George A Hormel/Oct	HRL	a	35– 13	34– 25	33½	18	98	14– 4	12.1	8.9	0.22
Hospital Corp of Am/Dec	HCA	n	57– 14	49– 37	46¼	25	104	25–10	13.8	11.5	1.16
Household Intl/Dec	HI	n	38– 14	38– 24	37	42	118	13– 5	8.9	8.3	0.22
Houston Industries/Dec	HOU	n	24– 17	23– 18	23⅛	21	100	16– 5	6.0	5.7	0.55
Houston Natural Gas/Dec†	HNG	n	63– 25	55– 40	48¼	–1	81	15– 4	15.2	10.0	0.78
Hughes Tool/Dec	HT	n	49– 13	21– 13	14½	–25	61	NM– 4	NM	23.8	0.67
Humana/Aug	HUM	n	33– 7	33– 22	28¼	22	101	22– 9	14.0	12.4	1.36
Huntington Bshs/Dec	HBAN	o	42– 11	42– 23	37⅞	41	117	10– 3	8.0	7.2	0.51
EF Hutton Group/Dec	EFH	n	53– 7	42– 24	36½	28	106	25– 3	24.5	10.3	0.34
IC Industries/Dec	ICX	n	36– 9	36– 21	32	45	120	22– 4	11.1	10.3	0.35
Idaho Power/Dec	IDA	n	40– 19	40– 31	39½	18	98	10– 5	7.5	8.1	1.53
Illinois Power/Dec	IPC	n	25– 16	25– 18	24¾	25	104	8– 4	6.2	6.4	1.09
Illinois Tool Works/Dec	ITW	n	36– 10	36– 21	33⅛	33	110	16– 6	13.8	11.6	1.40
Imperial Corp of Am/Dec	ICA	n	35– 5	10– 5	8¾	9	91	NM– 5	79.5	7.4	0.15
Indiana National/Dec	INAT	o	42– 8	42– 22	37⅜	51	125	7– 3	6.5	6.7	0.57
Ingersoll-Rand/Dec	IR	n	80– 36	51– 36	46⅛	–4	79	NM– 4	17.1	10.7	0.37
Inland Steel/Dec	IAD	n	36– 18	29– 20	23⅛	–17	68	NM– 8	NM	6.7	0.17
Intel/Dec	INTC	o	50– 10	38– 24	27	–23	63	69–13	15.9	24.1	1.89
Interco/Feb	ISS	n	85– 36	65– 55	62½	10	91	12– 5	11.7	8.5	0.33
InterFirst/Dec	IFC	n	32– 10	16– 10	11¼	–12	72	NM– 4	6.4	7.8	0.32
Intergraph/Dec	INGR	o	71– 8*	71– 33	62½	69	140	45–14*	25.6	19.9	3.99
IBM/Dec	IBM	n	138– 48	138– 99	127¾	13	94	15– 8	11.9	10.6	1.70
Intl F & F/Dec	IFF	n	36– 17	30– 23	27½	14	95	19– 9	14.6	12.9	2.12
Intl Harvester/Oct	HR	n	35– 3	11– 5	9¼	11	92	NM–NM	NM	8.0	0.16
Intl Minerals & Chem/Jun	IGL	n	67– 24	44– 33	41¼	1	84	16– 4	11.9	9.2	0.69
International Paper/Dec	IP	n	60– 31	58– 46	50	–11	73	30– 4	26.6	9.8	0.53
InterNorth/Dec	INI	n	50– 21	48– 33	47⅝	19	99	10– 4	8.5	8.1	0.28
Iowa-Illinois G & E/Dec	IWG	n	29– 15	29– 22	28⅜	26	105	8– 5	6.9	6.8	0.63
Ipalco Enterprises/Dec	IPL	n	34– 17	34– 26	33¼	23	102	9– 5	7.9	7.8	1.28
Irving Bank/Dec	V	n	35– 15	35– 23	33¾	22	101	7– 3	6.6	5.9	0.28
ITT/Dec	ITT	n	48– 21	42– 21	35¼	–10	74	15– 5	15.3	10.2	0.40
IU International/Dec	IU	n	30– 10*	23– 15	17⅛	–24	62	NM– 4*	63.4	13.5	0.18
James River Corp Va/Apr	JR	n	42– 6	35– 24	25¾	–19	66	15– 4	8.1	7.9	0.30
Jefferson-Pilot/Dec	JP	n	43– 15	43– 25	40⅛	55	129	10– 5	9.9	9.7	1.28
Jim Walter/Aug	JWC	n	38– 13	37– 22	34⅛	26	105	NM– 5	7.1	7.8	0.31
Johnson & Johnson/Dec	JNJ	n	52– 22	41– 28	39¾	18	98	20–11	14.5	12.5	1.19
Johnson Controls/Sep	JCI	n	49– 18	46– 38	40⅝	–5	78	13– 5	8.6	8.2	0.39
K mart/Jan	KM	n	42– 15	42– 27	34⅛	11	92	14– 6	8.9	8.4	0.20
Kaiser Alum & Chem/Dec	KLU	n	30– 12	19– 13	14	–25	61	NM– 3	NM	11.1	0.19
Kansas City Pwr & Lt/Dec	KLT	n	23– 12	23– 14	22⅛	23	102	9– 3	4.9	5.3	1.13
Kansas Gas & Elec/Dec	KGE	n	21– 13	19– 13	18⅞	18	98	7– 4	6.1	6.2	1.68

*Range is for less than 5 years. †Company changed fiscal year from July to December; 1984 results are for fiscal year ending in July 1984. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
9.0%	$2.19	$2.59	$2.43	–6%	30	average	$0.22	10%	23%	256.5	47%
17.6	4.33	4.33	4.55	5	21	high	1.80	42	5	24.7	69
7.4	3.59	3.59	4.21	17	19	average	0.90	25	7	28.7	70
6.3	2.98	2.98	3.95	33	12	low	0.00	NA	NA	20.5	71
10.1	0.59	0.59	0.79	34	14	very low	0.20	34	–34	49.3	22
3.9	5.10	5.10	6.88	35	19	average	1.90	37	7	46.7	74
8.9	2.97	2.97	3.37	14	7	high	1.12	38	5	8.3	17
1.8	2.78	3.07	3.76	22	5	average	1.08	39	9	9.6	22
8.5	3.35	3.35	4.01	20	35	very high	0.60	18	25	87.6	63
2.8	4.18	4.18	4.46	7	8	high	1.75	42	2	50.2	52
8.8	3.85	3.85	4.08	6	18	very high	2.48	64	9	98.9	45
5.6	3.18	4.43	4.82	9	17	low	2.12	67	16	32.3	50
NM	–2.40	–2.40	0.61	NM	28	very low	0.48	NM	10	55.8	47
9.9	2.02	1.96	2.27	16	35	very high	0.68	34	44	97.0	41
7.0	4.74	4.74	5.29	12	5	high	1.48	31	10	8.5	18
1.4	1.49	1.49	3.54	138	7	low	0.80	54	15	25.8	35
2.9	2.89	2.89	3.10	7	10	high	1.30	45	6	41.2	53
23.4	5.25	5.25	4.89	–7	15	average	3.28	63	7	16.6	22
18.4	4.02	4.02	3.88	–4	15	high	2.64	66	3	55.6	41
10.1	2.40	2.40	2.85	19	11	average	0.64	27	1	25.1	55
0.2	0.11	0.11	1.18	972	9	very low	0.00	NA	NA	14.2	29
8.7	5.72	5.72	5.62	–2	3	average	1.40	25	13	5.2	36
2.4	2.70	2.70	4.33	60	18	low	2.60	96	–8	19.8	60
NM	–2.15	–2.15	3.45	NM	12	very low	0.50	NM	–37	25.1	63
12.2	1.70	1.70	1.12	–34	33	very low	0.00	NA	NA	113.8	45
3.3	5.35	5.94E	7.32	23	8	average	3.08	58	2	14.1	65
5.0	1.76	1.76	1.44	–18	21	low	0.60	34	–3	66.9	26
15.6	2.44	2.44	3.14	29	22	average	0.00	NA	NA	25.7	41
14.3	10.77	10.77	12.01	12	35	very high	4.40	41	5	611.9	50
14.5	1.89	1.89	2.13	13	13	high	1.12	59	2	36.7	46
NM	–12.89	–12.89	1.22	NM	11	very low	0.00	NM	NA	58.0	25
5.9	3.46	3.04	4.47	47	15	average	2.60	75	2	27.3	60
2.5	1.88	1.88	5.09	171	16	low	2.40	128	–2	49.9	54
4.0	5.61	5.61	5.87	5	20	high	2.48	44	8	43.9	56
10.7	4.13	4.13	4.15	0	4	very high	2.74	66	6	12.5	17
16.0	4.22	4.22	4.28	1	18	very high	3.04	72	7	18.3	39
4.6	5.11	5.11	5.71	12	12	very high	1.96	38	8	17.6	34
1.8	2.31	2.31	3.46	50	14	low	1.00	43	–5	139.7	35
0.3	0.27	0.27	1.27	370	18	low	1.20	–94	3	27.0	46
3.9	3.17	3.40E	3.27	–4	11	low	0.56	18	16	28.9	59
13.5	4.04	4.04	4.14	3	17	high	1.32	33	33	32.0	47
4.6	4.83	4.45	4.37	–2	11	low	1.40	29	–7	21.0	61
8.4	2.75	2.75	3.17	15	27	high	1.20	44	12	182.1	56
4.6	4.75	4.71	4.97	6	7	very high	1.86	39	9	14.1	40
2.4	3.84	3.84	4.04	5	27	average	1.24	32	7	125.0	68
NM	–1.27	–1.27	1.26	NM	16	very low	0.60	NM	–23	43.8	66
26.0	4.48	4.48	4.15	–7	7	low	2.36	53	7	29.7	16
29.7	3.07	3.07	3.03	–1	10	high	2.36	77	5	36.5	11

Sources: William O'Neil & Co., The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

						—Stock performance—		—Stock price ratios—			
			—Stock price—			—latest 12 months—		—price/earnings—			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Kansas Power & Light/Dec	KAN	n	36– 15	36– 29	33⅜	14%	95	8– 4	7.0	7.0	0.38
Kellogg/Dec	K	n	50– 16	50– 28	49½	64	136	15– 7	14.8	12.3	1.17
Kemper/Dec	KEMC	o	54– 21	54– 29	50⅝	29	107	39– 3	36.8	11.3	0.31
Kentucky Utilities/Dec	KU	n	26– 14	26– 20	25⅝	13	94	12– 6	8.5	8.2	0.91
Kerr-McGee/Dec	KMG	n	47– 23	34– 26	31	4	86	26– 6	25.4	10.0	0.46
Key Banks/Dec	KEY	n	28– 7	28– 17	26⅜	44	120	8– 3	8.0	7.3	0.75
Kidde/Dec	KDE	n	37– 15	37– 27	34¼	24	103	10– 4	9.1	9.1	0.30
Kimberly-Clark/Dec	KMB	n	51– 19	51– 39	48¼	8	90	12– 5	10.1	8.8	0.61
Knight-Ridder News/Dec	KRN	n	36– 10	36– 22	35¼	49	124	18– 7	16.4	14.2	1.38
Koppers/Dec	KOP	n	35– 11	23– 17	18⅝	–5	78	36– 7	23.6	9.1	0.29
Kroger/Dec	KR	n	47– 14	41– 29	40	29	107	14– 4	11.5	9.9	0.11
Landmark Banking Fla/Dec	LBKF	o	17– 5	17– 13	15⅞	18	98	13– 4	11.5	9.2	0.78
Lear Siegler/Jun	LSI	n	53– 18	53– 38	46	14	95	12– 4	8.9	8.4	0.36
Leaseway Transportn/Dec	LTC	n	48– 20	36– 25	32¼	–2	81	18– 5	12.6	8.7	0.29
Levi Strauss/Nov	LVI	n	56– 19	37– 23	31⅜	–12	72	28– 5	26.6	11.6	0.46
Libbey-Owens-Ford/Dec	LOF	n	51– 20	51– 41	45¾	10	91	44– 7	7.9	6.6	0.29
Eli Lilly/Dec	LLY	n	80– 45	80– 53	76⅜	23	102	15– 8	11.3	10.6	1.76
Limited/Jan	LTD	n	40– 1	40– 15	37½	68	140	45– 7	24.4	18.4	1.66
Lincoln National/Dec	LNC	n	46– 16	46– 26	42¼	43	119	12– 5	11.7	9.0	0.40
Litton Industries/Jul	LIT	n	87– 35	80– 60	67	11	92	13– 5	9.8	9.2	0.60
Lockheed/Dec	LK	n	54– 7	54– 30	47½	51	125	57– 6	9.0	7.5	0.38
Loews/Dec	LTR	n	46– 7	46– 24	42⅞	61	134	13– 3	12.8	9.9	0.67
Long Island Lighting/Dec	LIL	n	18– 4	9– 4	6⅞	0	83	7– 1	2.2	2.4	0.38
Longs Drug Stores/Jan	LDG	n	28– 11	28– 17	26⅛	23	102	17– 9	14.0	12.4	0.41
Louisiana Land/Dec	LLX	n	NA–NA	38– 22	34½	23	102	16– 5	10.9	9.2	0.77
Louisiana-Pacific/Dec	LPX	n	34– 13	25– 17	20⅞	–14	71	NM– 9	17.5	15.5	0.60
Louisville Gas & Elec/Dec	LOU	n	28– 15	28– 23	28	15	96	10– 5	7.4	8.1	0.77
Lowe's Cos/Jan	LOW	n	33– 5	30– 16	26⅝	34	111	30– 8	15.7	12.9	0.57
LTV/Dec	LTV	n	26– 8	18– 9	10	–39	50	NM– 2	NM	7.2	0.12
Lubrizol/Dec	LZ	n	42– 14	26– 19	21¾	7	89	19– 8	12.6	10.9	1.06
Lucky Stores/Jan	LKS	n	25– 12	20– 15	18¾	15	96	13– 7	10.2	8.5	0.10
M/A-Com/Sep	MAI	n	36– 10	24– 14	19⅛	29	107	53–15	20.3	16.5	1.04
Mack Trucks/Dec	MACK	o	22– 13*	20– 13	13⅜	–29	58	25– 6*	6.8	4.9	0.19
RH Macy/Jul	MZ	n	65– 10	54– 39	46¾	2	85	18– 5	11.2	10.5	0.56
Mfrs Hanover/Dec	MHC	n	51– 23	42– 23	37¾	2	85	6– 3	5.3	4.7	0.18
Manufacturers Natl/Dec	MNTL	o	51– 12	51– 29	50¼	48	123	20– 3	6.8	6.0	0.42
Manville/Dec	MAN	n	31– 4*	11– 6	7½	–32	56	NM– 3*	3.4	6.6	0.10
Mapco/Dec	MDA	n	52– 21	33– 21	30¾	17	97	15– 5	7.5	8.9	0.47
Marine/Dec	MCRP	o	29– 9	29– 18	25¾	32	110	6– 3	6.3	5.9	0.35
Marine Midland Bks/Dec	MM	n	35– 12	35– 20	32¼	35	112	8– 3	7.7	5.8	0.24
Marion Laboratories/Jun	MKC	n	60– 6	60– 31	56	66	138	60–14	37.1	30.4	4.05
Marriott/Dec	MHS	n	86– 17	86– 59	83⅞	30	108	22– 8	16.2	13.8	0.61
Marsh & McLennan/Dec	MMC	n	68– 27	68– 36	62¼	30	108	42– 9	38.4	15.0	2.05
Marshall & Ilsley/Dec	MRIS	o	60– 17	60– 39	59¼	31	109	9– 3	9.0	8.1	0.76
Martin Marietta/Dec	ML	n	54– 15	54– 30	50½	53	127	NM– 5	NM	8.5	0.46
Maryland National/Dec	MDNT	o	52– 13	52– 30	47¼	50	125	8– 3	7.9	6.8	0.50
Masco/Dec	MAS	n	37– 10	34– 23	29½	1	84	22– 7	14.8	10.1	1.68
May Dept Stores/Jan	MA	n	50– 12	50– 30	43⅛	38	115	12– 5	8.7	8.2	0.39

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
6.1%	$4.80	$4.80	$4.79	0%	12	high	$2.96	62%	8%	16.9	19%
9.6	3.35	3.35	4.02	20	21	average	1.76	53	6	61.6	91
0.9	1.37	1.37	4.44	224	11	low	1.80	131	6	14.2	26
12.9	3.03	3.03	3.12	3	10	average	2.44	81	3	18.7	9
1.8	1.22	1.22	3.11	154	21	low	1.10	90	4	52.8	49
9.3	3.30	3.30	3.61	9	4	high	1.30	39	8	15.5	6
3.4	3.75	3.75	3.78	1	6	high	1.20	32	7	20.5	69
6.0	4.77	4.77	5.46	14	15	high	2.32	49	8	46.0	61
8.5	2.15	2.15	2.48	15	22	very high	0.76	35	15	65.0	40
1.6	0.79	0.79	2.04	158	9	low	0.80	101	–16	28.6	53
1.0	3.49	3.49	4.05	16	13	average	2.00	57	9	45.1	42
7.8	1.38	1.38	1.73	25	6	high	0.60	43	5	21.3	24
4.0	5.19	4.96	5.45	10	16	very high	1.80	35	9	18.1	51
2.3	2.55	2.55	3.72	46	9	average	1.50	59	5	12.0	49
1.8	1.18	1.07	2.71	153	14	low	1.85	157	7	36.9	35
4.0	5.82	5.82	6.98	20	5	very high	1.32	23	–3	11.3	35
15.8	6.73	6.73	7.22	7	28	very high	3.20	48	11	72.4	68
6.9	1.54	1.54	2.04	32	12	high	0.32	21	73	59.5	28
3.7	3.60	3.60	4.70	31	17	average	1.84	51	3	42.9	53
6.3	6.82	7.32	7.25	–1	18	very high	2.00	29	51	41.8	67
4.2	5.28	5.28	6.37	21	29	high	0.60	11	NA	64.6	79
5.2	3.35	3.35	4.32	29	3	low	1.00	30	13	81.5	32
21.7	3.09	3.09	2.88	–7	13	low	0.00	NA	NA	110.2	16
2.9	1.89	1.89	2.13	13	11	very high	0.64	34	11	21.3	26
7.7	3.16	3.16	3.73	18	16	average	1.00	32	–18	27.7	53
3.4	1.19	1.19	1.35	13	13	very low	0.80	67	6	35.4	31
11.7	3.79	3.79	3.45	–9	10	very high	2.44	64	3	18.7	16
3.6	1.70	1.70	2.06	21	18	average	0.32	19	7	36.2	36
NM	–5.84	–5.84	1.38	NM	12	very low	0.00	NA	NA	83.2	49
8.0	1.73	1.73	1.99	15	17	average	1.16	67	6	41.3	58
1.0	1.84	1.84	2.20	20	14	average	1.16	63	1	50.8	42
5.0	0.94	0.90	1.16	29	18	average	0.22	23	24	43.3	51
3.1	1.96	1.96	2.72	39	7	very low	0.00	NA	NA	30.4	38
5.0	4.18	4.37	4.44	2	21	average	1.16	28	20	51.1	61
4.2	7.12	7.12	8.04	13	21	average	3.20	45	6	40.6	56
6.1	7.35	7.35	8.32	13	6	average	2.00	27	–8	5.3	27
4.3	2.18	2.18	1.13	–48	2	very low	0.00	NA	NA	24.0	36
6.3	4.11	4.11	3.45	–16	8	average	1.00	24	–14	30.8	34
6.3	4.06	4.06	4.35	7	3	average	1.30	32	11	4.1	22
3.5	4.17	4.17	5.57	34	7	high	1.60	38	15	19.1	72
11.4	1.51	1.24	1.84	48	17	high	0.52	34	11	18.3	40
4.0	5.18	5.18	6.07	17	17	high	0.54	10	22	25.8	42
5.3	1.62	1.62	4.16	157	14	average	2.40	148	11	36.3	56
8.5	6.62	6.62	7.31	10	5	high	2.12	32	7	5.2	16
NM	–5.82	–5.82	5.95	NM	18	average	1.34	NM	5	35.3	54
6.6	6.01	6.01	6.95	16	8	average	1.60	26	11	7.8	65
11.4	2.00	2.00	2.91	46	10	average	0.56	28	12	56.5	54
4.5	4.96	4.82E	5.26	9	20	high	1.72	36	11	43.1	57

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

			—Stock price—			—Stock performance— —latest 12 months—		—Stock price ratios— —price/earnings—			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Maytag/Dec	MYG	n	57– 22	50– 36	47⅞	5%	87	16– 7	10.3	9.8	1.01
MCA/Dec	MCA	n	52– 19	52– 38	49⅛	26	105	27– 8	25.1	15.0	1.45
McDonald's/Dec	MCD	n	62– 16	62– 41	58¾	34	111	14– 8	13.4	11.7	1.50
McDonnell Douglas/Dec	MD	n	84– 23	84– 48	77¾	53	127	14– 5	9.6	7.7	0.32
McGraw-Edison/Dec.	MGR	n	57– 21	57– 31	55½	56	130	NM– 6	NM	11.8	0.54
McGraw-Hill/Dec	MHP	n	54– 12	49– 34	44	21	100	23– 8	15.4	13.6	1.58
MCI Communications/Dec	MCIC	o	29– 1	11– 6	8¾	3	86	73–12	35.0	17.2	1.06
McKesson/Mar	MCK	n	51– 21	45– 32	42⅜	20	100	14– 6	12.2	11.3	0.16
McLean Industries/Dec	MII	n	n– 8	16– 10	13⅞	22	101	20– 7	9.1	6.4	0.55
MCorp/Dec	MBK	n	36– 12	26– 17	21	–17	68	11– 5	5.9	5.2	0.54
Mead/Dec	MEA	n	42– 14	41– 27	35⅝	–3	80	NM– 4	7.8	7.0	0.40
Mellon Bank/Dec	MEL	a	57– 22	51– 34	49¼	24	103	9– 4	8.7	7.3	0.43
Melville/Dec	MES	n	48– 12	46– 31	44	29	107	14– 6	12.2	10.5	0.53
Mercantile Bancorp/Dec	MTRC	o	37– 14	37– 24	34⅝	36	113	8– 3	7.4	6.7	0.57
Mercantile Bankshrs/Dec	MRBK	o	47– 10	47– 32	46½	23	102	9– 3	9.0	7.9	1.12
Mercantile Stores/Jan	MST	n	76– 12	65– 40	54½	18	98	13– 3	9.5	8.0	0.47
Merchants National/Dec	MCHN	o	49– 14	49– 26	47½	60	133	54– 3	8.4	7.0	0.40
Merck/Dec	MRK	n	105– 60	104– 78	103	13	94	18–12	15.4	13.8	2.09
Meridian Bancorp/Dec	MRDN	o	46– 9	46– 28	44½	45	120	8– 3	7.7	7.1	0.61
Merrill Lynch/Dec	MER	n	57– 8	37– 22	30⅝	19	99	36– 4	29.7	15.7	0.49
Mesa Petroleum/Dec	MSA	n	35– 10	22– 14	18¾	11	92	46– 5	5.0	15.8	3.06
Michigan National/Dec	MNCO	o	27– 10	27– 11	24¼	70	141	NM– 3	13.4	9.9	0.32
MidCon/Sep	MCN	n	49– 19*	49– 33	46¾	35	112	9– 4*	9.0	8.4	0.34
Middle South Utils/Dec	MSU	n	17– 9	15– 9	13½	1	84	8– 3	4.9	5.3	0.81
Midlantic Banks/Dec	MIDL	o	31– 8	31– 21	29¼	28	106	8– 3	7.3	6.4	0.65
Midwest Financial/Dec	MFGC	o	20– 14	20– 14	17½	17	83	NA–NA	10.2	NA	0.39
Minn Mining & Mfg/Dec	MMM	n	91– 46	86– 69	84¼	13	94	16– 8	13.4	11.8	1.27
Mitchell Enrgy & Dev/Jan	MND	a	46– 10	25– 15	14¾	–33	55	24– 5	19.9	8.6	0.77
Mobil/Dec	MOB	n	44– 20	32– 23	28¾	–4	79	10– 4	9.2	8.1	0.21
Monfort of Colorado/Aug	MNFT	o	21– 3	20– 14	18⅝	32	110	16– 2	5.3	6.4	0.06
Monsanto/Dec	MTC	n	58– 21	51– 41	42⅞	–5	78	18– 5	7.9	7.1	0.50
Moore Financial/Dec	MFGI	o	27– 15	27– 16	26	26	105	8– 4	8.1	6.9	0.51
JP Morgan/Dec	JPM	n	50– 20	50– 28	47¼	37	114	8– 5	7.8	7.3	0.60
Morrison-Knudsen/Dec	MRN	n	47– 16	42– 27	38	32	110	13– 4	9.2	8.6	0.19
Morton Thiokol/Jun	MTI	n	31– 7	31– 22	29½	36	113	14– 6	12.7	11.9	0.77
Motorola/Dec	MOT	n	50– 14	44– 29	33⅜	–11	73	24– 8	10.2	12.5	0.72
Murphy Oil/Dec	MUR	n	64– 16	39– 24	29⅛	–17	68	12– 4	11.1	9.2	0.49
Nabisco Brands/Dec	NB	n	58– 23*	58– 39	57⅝	37	114	12– 6*	11.5	10.2	0.53
Nalco Chemical/Dec	NLC	n	37– 14	28– 21	23¾	–6	77	24– 9	12.2	10.9	1.40
Natl BancsharesTexas/Dec	NBAN	o	30– 11	24– 20	21½	–7	76	14– 5	8.0	7.4	0.64
National Can/Dec	NAC	n	41– 15	41– 31	41⅛	14	95	18– 3	10.3	9.0	0.21
National City/Dec	NCTY	o	42– 16	42– 26	39⅝	40	116	8– 4	7.3	6.5	0.67
National Distillers/Dec	DR	n	33– 19	30– 23	29½	8	90	22– 6	21.2	12.2	0.46
National Gypsum/Dec	NG	n	45– 16	45– 27	43⅞	25	104	34– 4	6.4	5.9	0.40
National Intergroup/Dec	NII	n	38– 14	34– 23	29¼	–4	79	NM– 5	19.9	8.7	0.26
Natl Medical Entrprs/May	NME	n	32– 7	29– 18	27⅞	38	115	19– 7	14.7	11.2	0.94
Natl Semiconductor/May	NSM	n	20– 4	17– 10	10⅝	–22	64	NM– 7	16.3	12.6	0.51
National Svc Inds/Aug	NSI	n	30– 8	30– 21	29⅜	31	109	13– 5	11.5	10.4	0.65

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
9.8%	$4.63	$4.63	$4.87	5%	8	high	$3.10	67%	10%	13.6	33%
5.7	1.96	1.96	3.28	67	16	low	0.88	45	5	48.6	53
11.6	4.39	4.39	5.03	14	21	very high	0.82	19	17	85.8	62
3.4	8.10	8.10	10.08	15	25	average	1.84	23	16	40.0	34
0.6	0.65	0.65	4.69	621	12	average	2.00	308	3	16.6	54
10.3	2.86	2.86	3.24	13	14	very high	1.40	49	13	50.3	55
3.0	0.25	0.25	0.51	104	30	very low	0.00	NA	NA	237.3	38
1.3	3.50	3.29E	3.78	15	9	high	2.40	69	5	17.6	42
6.4	1.53	1.53	2.14	40	4	low	0.00	NA	NA	38.3	7
6.6	3.56	3.56	4.07	14	15	high	1.40	39	12	41.9	35
5.1	4.54	4.54	5.04	11	16	average	1.20	26	–18	30.9	54
5.2	5.64	5.64	6.73	19	18	high	2.68	48	5	26.7	54
4.3	3.60	3.60	4.20	17	15	very high	1.44	40	20	52.9	57
7.7	4.70	4.70	5.19	10	6	very high	1.92	41	4	9.8	31
14.2	5.16	5.16	5.91	15	7	high	1.68	33	6	6.5	27
5.0	5.75	5.75	6.85	19	6	very high	1.20	21	26	14.7	37
4.7	5.63	5.63	6.75	20	3	high	1.20	21	–13	2.2	50
13.8	6.71	6.71	7.46	11	31	very high	3.20	48	0	72.1	60
8.1	5.76	5.76	6.29	9	6	high	2.40	42	29	6.9	20
1.6	1.03	1.03	1.95	89	10	very low	0.80	78	12	94.6	13
65.9	3.75	3.75	1.19	–68	21	very low	0.20	5	30	67.0	46
2.5	1.81	1.81	2.44	35	4	low	0.00	NA	NA	11.2	14
3.7	5.18	4.86	5.54	14	18	average	2.36	45	38	30.2	47
15.6	2.76	2.76	2.54	–8	16	average	1.78	64	2	187.2	19
9.1	4.01	4.01	4.59	14	9	average	1.12	28	7	16.0	17
3.6	1.72	1.72	NA	NA	NA	NA	1.20	70	NA	4.5	NA
9.5	6.27	6.27	7.13	14	21	high	3.43	55	5	116.3	36
3.9	0.74	0.74	1.72	132	18	low	0.24	32	8	47.9	16
2.3	3.11	3.11	3.54	14	33	low	2.20	71	4	407.7	38
1.1	3.48	3.48	2.85	–18	2	average	0.35	10	NA	4.5	11
6.5	5.42	5.42	6.08	12	28	average	2.30	42	3	78.3	65
6.3	3.20	3.20	3.75	17	4	low	1.20	35	6	6.8	23
8.2	6.07	6.07	6.47	7	26	average	2.20	36	9	83.5	68
2.2	4.13	4.13	4.42	7	6	average	1.48	36	10	10.1	48
6.0	2.32	2.17	2.48	14	14	very high	0.64	28	5	51.1	53
7.0	3.27	3.27	2.67	–18	30	low	0.64	20	4	118.8	64
4.4	2.63	2.63	3.18	21	13	low	1.00	38	16	36.6	41
4.9	5.02	5.02	5.63	12	18	high	2.68	53	10	58.4	45
11.5	1.94	1.94	2.18	12	18	average	1.20	62	9	39.1	73
8.4	2.70	2.70	2.91	8	4	high	0.84	31	17	9.0	12
2.1	4.00	4.00	4.55	14	3	very high	1.00	25	3	9.5	64
8.0	5.45	5.45	6.06	11	12	average	2.00	37	–1	13.9	55
2.6	1.39	1.39	2.41	73	5	low	2.20	158	1	30.1	29
6.2	6.86	6.86	7.44	8	10	low	2.00	29	4	15.6	39
2.0	1.47	1.47	3.36	129	10	very low	0.25	17	–50	20.3	56
6.0	1.90	2.07E	2.50	21	22	high	0.52	27	21	76.0	40
3.1	0.65	0.54E	0.84	56	21	very low	0.00	NA	NA	88.1	61
5.7	2.56	2.50	2.83	13	6	very high	1.00	39	9	24.6	22

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker	Exch	Stock price 5-year high-low	12-month high-low	recent	Stock performance—latest 12 months price change	relative to market	Stock price ratios price/earnings 5-year high-low	latest 12 months	1985 est	price/sales
NBD Bancorp/Dec	NBD	n	61– 20	61– 40	59	46%	121	8– 3	7.5	6.8	0.51
NCNB/Dec	NCB	n	40– 10	40– 23	35⅞	42	118	9– 4	8.8	7.9	0.67
NCR/Dec	NCR	n	34– 10	31– 21	27⅞	2	85	14– 5	8.4	8.3	0.68
New England Electric/Dec	NES	n	43– 18	40– 29	38½	8	90	8– 5	6.4	6.5	0.66
NY State Elec & Gas/Dec	NGE	n	24– 14	24– 15	22¾	40	116	7– 4	6.2	6.3	1.05
New York Times/Dec	NYTA	a	44– 6	44– 24	41½	72	143	16– 5	16.4	14.0	1.33
Newmont Mining/Dec	NEM	n	79– 28	52– 31	41¾	–18	67	37– 3	33.9	19.4	1.64
Niagara Mohawk Pwr/Dec	NMK	n	19– 10	18– 12	17⅛	28	106	8– 4	6.0	5.9	0.71
Nicor/Dec	GAS	n	46– 24	31– 25	31	18	98	NM– 5	NM	11.7	0.35
NL Industries/Dec	NL	n	49– 10	17– 10	11⅝	–23	63	NM– 3	NM	24.2	0.53
Norfolk Southern/Dec	NSC	n	71– 40*	69– 49	63¼	7	89	13– 4*	8.3	7.9	1.13
Norstar Bancorp/Dec	NOR	n	41– 15	41– 29	39⅛	29	107	8– 4	8.2	7.4	0.90
North Amer Philips/Dec	NPH	n	45– 12	45– 29	41⅛	23	102	12– 4	9.1	8.3	0.27
Northeast Savings/Mar	NESA	o	13– 6	11– 6	7½	–23	63	NM– 2	NM	NA	0.10
Northeast Utilities/Dec	NU	n	16– 7	16– 11	15	26	105	8– 4	5.3	5.6	0.75
No Indiana Pub Svc/Dec	NI	n	16– 10	15– 11	12⅛	–9	75	16– 6	7.5	7.0	0.42
No States Power/Dec	NSP	n	44– 19	44– 34	43¼	21	100	9– 5	7.5	7.4	0.75
Northern Trust/Dec	NTRS	o	66– 28	66– 56	65½	9	91	17– 4	16.1	12.1	0.43
Northrop/Dec	NOC	n	45– 11	45– 24	41½	68	140	NM– 6	11.4	10.1	0.52
Northwest Industries/Dec	NWT	n	81– 25	62– 41	53¼	14	95	NM– 3	14.2	10.0	0.75
Northwestern Finl/Dec	NWFN	o	28– 4	28– 15	26¼	76	146	12– 4	10.8	9.5	0.84
Northwestern Natl Life/Dec	NWNL	o	37– 9	37– 18	36	78	148	26– 4	21.6	11.5	0.32
Norton/Dec	NRT	n	62– 24	39– 31	35¼	8	90	NM– 6	11.6	10.3	0.58
Norwest/Dec	NOB	n	40– 17	33– 22	24¾	–22	64	16– 4	13.0	7.3	0.27
NVF/Dec	NVF	n	5– 1	2– 1	1	–46	44	NM– 9	NM	NA	0.07
NWA/Dec	NWA	n	56– 21	46– 34	41¼	6	88	NM– 8	11.0	8.6	0.37
Nynex/Dec	NYN	n	83– 59*	83– 59	82	34	111	8– 7*	8.1	7.6	0.87
Occidental Petroleum/Dec	OXY	n	39– 17	36– 23	28¼	0	83	NM– 2	9.2	9.5	0.17
Ogden/Dec	OG	n	40– 18	32– 24	30½	15	96	15– 4	14.9	10.0	0.27
Ohio Edison/Dec	OEC	n	16– 9	15– 9	14	14	95	10– 4	5.6	5.9	1.05
Oklahoma Gas & Elec/Dec	OGE	n	24– 12	24– 19	22¾	12	93	14– 5	9.2	8.5	0.92
Old Kent Financial/Dec	OKEN	o	27– 7	27– 14	24½	69	140	7– 4	7.0	7.1	0.63
Old Stone/Dec	OSTN	o	32– 15	32– 22	30	29	107	NM– 3	9.7	7.0	0.33
Olin/Dec	OLN	n	37– 13	37– 26	31¼	18	98	15– 5	8.2	7.9	0.35
Owens-Corning Fbrgls/Dec	OCF	n	47– 15	37– 25	33⅝	16	96	NM– 6	8.6	7.8	0.33
Owens-Illinois/Dec	OI	n	46– 18	46– 31	42⅞	20	100	31– 4	9.1	8.1	0.36
Paccar/Dec	PCAR	o	60– 19	53– 39	47⅝	–2	81	29– 3	6.9	6.7	0.38
Pacific Gas & Elec/Dec	PCG	n	18– 10	18– 12	17⅛	27	105	8– 5	6.5	6.3	0.69
Pacific Lighting/Dec	PLT	n	43– 17	43– 31	42⅝	22	101	12– 4	11.9	7.8	0.34
Pacific Resources/Dec	PRI	o	15– 6	10– 6	8½	0	82	NM– 6	NM	9.4	0.07
Pacific Telesis Grp/Dec	PAC	n	73– 51*	73– 54	72⅝	27	105	9– 7*	8.6	7.9	0.93
PacifiCorp/Dec	PPW	n	27– 16	27– 21	27⅛	22	101	10– 4	7.9	7.1	0.93
Paine Webber Group/Sep	PWJ	n	61– 6	43– 25	38⅛	36	113	NM– 4	65.7	13.3	0.40
Pan Am Corp/Dec	PN	n	9– 2	7– 4	4½	–32	56	NM– 1	NM	NM	0.13
Panhandle Eastern/Dec	PEL	n	52– 21	40– 31	37⅝	0	83	11– 4	9.7	8.5	0.51
Parker-Hannifin/Jun	PH	n	40– 15	40– 25	30¼	–3	80	25– 6	9.5	8.8	0.58
Penn Central/Dec	PC	n	55– 9	55– 41	49⅝	20	100	NM– 4	11.2	11.9	0.77
JC Penney/Jan	JCP	n	68– 20	56– 45	47⅞	–4	79	13– 5	8.2	7.3	0.26

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
6.9%	$7.90	$7.90	$8.63	9%	8	high	$2.40	30%	4%	11.9	49%
7.3	4.07	4.07	4.56	12	21	very high	1.32	32	12	30.6	36
8.4	3.30	3.30	3.35	2	24	high	0.88	27	12	100.0	64
10.2	6.04	6.04	5.96	–1	18	high	3.60	60	10	25.2	18
18.7	3.68	3.68	3.62	–2	15	average	2.44	66	8	52.1	26
8.1	2.53	2.53	2.97	17	15	high	0.52	21	9	39.5	51
4.8	1.23	1.23	2.15	74	16	very low	1.00	81	–23	30.3	37
12.9	2.84	2.84	2.92	3	14	high	2.00	70	7	115.5	22
NM	–7.06	–7.06	2.66	NM	10	low	3.04	NM	NM	27.0	23
NM	–2.33	–2.33	0.48	NM	17	very low	0.20	NM	–18	61.9	50
13.7	7.66	7.66	7.96	4	22	high	3.40	44	8	62.9	54
11.6	4.75	4.75	5.27	11	3	average	2.40	51	9	16.7	20
3.0	4.53	4.53	4.95	9	3	high	1.00	22	3	28.7	83
NM	–1.71	NA	NA	NA	NA	NA	0.00	NA	NA	5.1	5
13.8	2.85	2.85	2.70	–5	18	average	1.58	55	8	104.5	28
7.0	1.62	1.62	1.74	7	17	average	1.56	96	1	69.5	42
10.8	5.80	5.80	5.87	1	22	very high	3.24	56	7	31.0	40
3.0	4.06	4.06	5.40	33	4	low	2.72	67	4	4.9	51
4.5	3.63	3.63	4.12	13	23	average	1.20	33	14	46.1	37
5.5	3.75	3.75	5.34	42	5	low	2.68	72	3	19.9	33
8.5	2.44	2.44	2.75	13	8	high	0.68	28	18	10.3	13
1.2	1.67	1.67	3.14	88	8	high	0.80	48	6	9.3	53
5.0	3.04	3.04	3.42	13	8	average	2.00	66	4	19.7	52
2.6	1.90	1.90	3.41	79	22	low	1.80	95	5	29.0	70
NM	–1.60	–1.60	NA	NA	NA	NA	0.00	NA	NA	93.4	10
3.6	3.74	3.74	4.81	29	19	low	0.90	24	3	21.8	91
10.4	10.10	10.10	10.74	6	33	high	6.00	59	NA	100.5	33
3.6	3.08	3.08	2.96	–4	15	low	2.50	81	4	95.9	36
1.8	2.05	2.05	3.04	48	9	average	1.80	88	5	19.0	38
20.7	2.50	2.50	2.39	–4	18	high	1.88	75	1	120.4	11
11.0	2.47	2.47	2.69	9	22	high	2.00	79	5	41.5	25
10.1	3.50	3.50	3.47	–1	3	very high	1.00	29	5	11.4	53
6.1	3.09	3.09	4.30	39	2	high	2.08	67	2	3.3	2
4.3	3.81	3.81	3.94	3	12	average	1.50	39	6	22.9	67
3.8	3.87	3.87	4.30	11	12	average	1.40	36	2	29.5	53
3.9	4.70	4.70	5.27	12	11	average	1.68	36	4	29.6	54
5.6	6.91	6.91	7.11	2	9	average	1.20	17	5	18.1	37
12.5	2.62	2.62	2.72	3	21	high	1.72	66	7	312.6	30
2.9	3.56	3.56	5.43	52	14	high	3.32	93	–4	38.5	36
NM	–0.21	–0.21	0.90	NM	3	low	0.05	NM	NA	14.2	64
10.6	8.46	8.46	9.14	8	32	high	5.40	64	NA	99.1	37
13.7	2.42	2.42	3.80	11	18	high	2.32	68	–1	61.5	25
0.6	0.58	0.77	2.87	272	5	low	0.60	103	17	16.5	27
NM	–2.00	–2.00	–0.07	NM	15	very low	0.00	NA	NA	103.3	14
5.2	3.88	3.88	4.42	14	22	average	2.30	59	7	43.3	56
6.1	3.20	2.68	3.42	28	14	average	1.12	35	5	27.1	55
6.6	4.45	4.45	4.16	–7	6	average	0.00	NA	NA	40.0	52
3.2	5.81	5.81	6.57	13	26	average	2.36	41	7	74.4	51

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes.

The Forbes 500s on Wall Street

			—Stock price—			—Stock performance— —latest 12 months—		—Stock price ratios— —price/earnings—			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Penn Power & Light/Dec	PPL	n	26– 15	26– 20	26	28%	106	8– 4	8.3	7.8	1.24
Pennzoil/Dec	PZL	n	63– 24	51– 31	48¾	34	111	22– 6	21.9	10.3	0.97
Peoples Bancorp/Dec	PEOP	o	32– 13	32– 20	31½	31	109	15– 3	7.9	7.2	0.47
Peoples Energy/Sep	PGL	n	17– 7*	17– 9	16½	76	146	8– 5*	7.5	7.2	0.31
PepsiCo/Dec	PEP	n	53– 20	53– 36	51⅜	43	119	23– 7	22.9	12.4	0.63
Perkin-Elmer/Jul	PKN	n	38– 17	30– 18	24⅛	–8	76	33–11	13.6	13.3	0.85
Petrie Stores/Jan	PST	n	40– 16	39– 28	34⅜	20	100	20– 7	15.1	14.0	0.87
Pfizer/Dec	PFE	n	45– 16	43– 29	42¼	21	100	19–10	13.7	12.3	1.76
Phibro-Salomon/Dec	PSB	n	42– 10*	42– 21	36⅞	19	99	29– 2*	24.9	9.7	0.18
Phila Electric/Dec	PE	n	18– 9	16– 9	15¼	7	89	9– 3	5.6	5.9	0.83
Philip Morris/Dec	MO	n	95– 31	95– 62	94	41	117	13– 7	13.0	9.5	1.13
Phillips Petroleum/Dec	P	n	63– 24	56– 33	39⅛	1	84	11– 5	7.4	7.5	0.39
Piedmont Aviation/Dec	PIE	n	35– 7	32– 23	31⅜	10	91	18– 2	7.5	5.9	0.31
Pillsbury/May	PSY	n	48– 14	48– 35	48⅛	34	111	11– 5	10.9	10.2	0.46
Pioneer Corp/Dec	PNA	n	34– 12	34– 22	29½	16	96	20– 5	6.0	15.0	2.10
Pioneer Hi-Bred Intl/Aug	PHYB	o	34– 10	34– 23	31½	11	92	25– 6	13.8	9.5	1.40
Pitney Bowes/Dec	PBI	n	44– 11	44– 27	39½	34	111	17– 5	11.3	9.9	0.82
Pittston/Dec	PCO	n	35– 9	15– 9	10⅜	–26	61	NM– 7	NM	26.6	0.32
PNC Financial/Dec	PNCF	o	52– 9	52– 36	49½	30	108	8– 3	7.6	7.2	0.72
Polaroid/Dec	PRD	n	37– 17	32– 24	29	2	85	58– 9	34.9	17.2	0.71
Portland Genl Elec/Dec	PGN	n	18– 11	18– 13	17⅞	27	105	14– 4	6.4	6.2	1.11
Potomac Elec Power/Dec	POM	n	28– 10	28– 19	27⅝	43	119	9– 5	8.6	8.2	1.09
PPG Industries/Dec	PPG	n	40– 13	40– 25	37⅝	23	102	14– 4	8.7	7.5	0.62
Price Co/Aug	PCLB	o	63– 6	63– 26	56¼	109	174	62–10	37.3	29.3	0.94
Primark/Dec	PMK	n	38– 14*	38– 25	36⅞	45	120	10– 4*	7.0	6.6	0.17
Prime Computer/Dec	PRM	n	33– 6	20– 12	15¼	–15	70	42– 8	12.2	11.4	1.14
Procter & Gamble/Jun	PG	n	63– 31	60– 46	56¼	18	98	13– 8	12.3	12.0	0.70
Provident Life & Acc/Dec	PACC	o	101– 33	101– 65	98	43	119	9– 4	9.3	8.7	0.66
PSFS/Dec	PSFS	o	13– 7	10– 7	8⅝	5	87	NM– 3	4.2	7.0	0.22
Public Service Colo/Dec	PSR	n	20– 11	20– 16	20	16	96	11– 6	7.8	8.4	0.57
Public Service Ind/Dec	PIN	n	28– 7	9– 7	7⅛	–21	65	8– 2	6.7	6.4	0.42
Public Service NH/Dec	PNH	n	20– 4	10– 4	4½	–54	37	7– 1	1.5	1.6	0.32
Public Service NM/Dec	PNM	n	30– 15	25– 20	25	6	88	9– 5	8.0	7.6	2.03
Pub Svc Elec & Gas/Dec	PEG	n	27– 16	27– 20	26½	28	106	9– 5	6.7	6.9	0.71
Puget Sound P&L/Dec	PSD	n	17– 9	15– 9	14¼	6	88	10– 4	9.4	7.5	1.03
Quaker Oats/Jun	OAT	n	44– 12	44– 29	42⅝	45	120	48– 5	13.3	11.5	0.50
Questar/Dec	STR	n	35– 12	35– 23	32¼	16	96	14– 5	10.2	9.0	0.85
Rainier Bancorp/Dec	RBAN	o	27– 9	27– 17	24¼	29	107	8– 4	7.7	7.0	0.59
Ralston Purina/Sep	RAL	n	42– 9	42– 25	41⅝	55	129	23– 6	14.9	11.9	0.42
Raytheon/Dec	RTN	n	58– 28	49– 35	45	25	104	17– 7	15.6	9.6	0.63
RCA/Dec	RCA	n	44– 16	44– 29	42⅞	39	115	NM– 6	18.0	10.8	0.35
Republic Airlines/Dec	RAI	n	12– 3	7– 3	6	50	125	NM– 6	20.0	5.7	0.12
Republic New York/Dec	RNB	n	50– 12	45– 32	42⅜	15	96	9– 2	7.7	7.1	0.64
RepublicBank/Dec	RPT	n	38– 18*	35– 22	32⅛	7	89	9– 4	6.9	6.2	0.40
Revco DS/May	RDS	n	38– 9	33– 23	24⅜	–23	63	15– 6	10.6	9.4	0.38
Revlon/Dec	REV	n	54– 23	41– 30	36½	23	102	18– 6	12.2	11.5	0.58
RJ Reynolds Inds/Dec	RJR	n	86– 25	86– 52	84½	64	136	9– 5	8.4	9.5	0.88
Reynolds Metals/Dec	RLM	n	42– 19	–40– 26	35⅜	0	82	NM– 3	5.8	6.5	0.20

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

	Earnings						Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
20.4%	$3.12	$3.12	$3.34	7%	16	high	$2.56	82%	4%	74.5	11%
5.6	2.23	2.23	4.73	112	19	low	2.20	99	1	46.8	48
6.0	4.00	4.00	4.37	9	4	average	1.00	25	2	3.8	5
4.4	2.20	2.07	2.29	11	7	low	1.20	55	NA	32.0	34
2.8	2.25	2.25	4.17	85	21	very high	1.68	75	7	93.9	56
6.3	1.78	1.49	1.82	22	26	average	0.56	32	6	44.1	63
5.7	2.30	2.30	2.48	8	6	high	1.40	61	11	21.1	29
13.2	3.08	3.08	3.44	12	30	very high	1.48	48	18	160.5	60
0.7	1.48	1.48	3.82	158	8	average	0.54	36	10	145.0	48
16.5	2.70	2.70	2.60	–4	14	high	2.20	82	5	159.9	14
8.8	7.24	7.24	9.91	37	20	high	4.00	55	20	122.8	62
5.2	5.26	5.26	5.21	–1	30	average	2.40	46	4	154.6	44
4.5	4.16	4.16	5.28	27	21	low	0.28	7	8	12.7	51
4.2	4.41	4.23E	4.74	12	15	very high	1.56	35	12	43.4	49
38.0	4.90	4.90	1.97	–60	14	very low	1.24	25	13	32.8	27
10.1	2.28	2.17	3.32	53	14	high	0.92	40	16	31.9	37
8.0	3.51	3.51	3.97	13	13	very high	1.20	34	11	35.7	61
NM	–0.69	–0.69	0.40	NM	9	very low	0.00	NA	NA	38.1	52
9.6	6.51	6.51	6.89	6	15	high	2.32	36	20	21.7	53
2.0	0.83	0.83	1.69	104	20	very low	1.00	120	0	31.0	55
21.9	2.80	2.80	2.89	3	10	average	1.82	65	2	44.7	9
14.0	3.23	3.23	3.36	4	22	average	2.16	67	7	47.2	26
7.1	4.33	4.33	5.02	16	13	high	1.60	37	6	69.9	54
2.5	1.51	1.27	1.92	51	13	average	0.00	NA	NA	22.6	40
2.4	5.26	5.26	5.57	6	7	average	2.00	38	32	9.5	32
9.3	1.25	1.25	1.34	7	28	average	0.00	NA	NA	47.3	51
5.7	4.57	5.35	4.69	–12	22	average	2.60	57	9	167.1	44
7.1	10.57	10.57	11.25	6	9	average	2.88	27	11	9.3	50
5.1	2.05	2.05	1.23	–40	5	very low	0.00	NA	NA	35.1	60
8.1	2.55	2.55	2.39	–6	22	average	1.92	75	5	51.6	25
9.4	1.06	1.06	1.11	5	15	low	1.00	94	–15	53.9	44
29.8	3.07	3.07	2.86	–7	4	average	0.00	NA	NA	37.2	5
29.8	3.11	3.11	3.31	6	12	average	2.88	93	6	35.7	25
11.7	3.95	3.95	3.84	–3	21	very high	2.72	69	4	118.6	23
14.5	1.52	1.52	1.91	26	8	average	1.76	116	1	46.8	10
3.8	3.20	3.35	3.72	11	20	very high	1.24	39	11	40.9	52
9.0	3.16	3.16	3.57	13	11	low	1.60	41	4	18.1	54
7.6	3.13	3.13	3.48	11	18	very high	1.00	32	9	19.7	44
4.7	2.80	2.68	3.49	30	20	high	1.00	36	9	80.0	51
4.1	2.88	2.88	4.68	63	32	high	1.60	56	8	84.7	56
2.6	2.38	2.38	3.96	66	13	high	1.04	44	–17	82.0	56
0.9	0.30	0.30	1.05	250	16	very low	0.00	NA	NA	30.6	11
8.9	5.49	5.49	5.98	9	4	high	1.64	30	18	16.9	19
6.2	4.66	4.66	5.21	11	22	high	1.64	35	12	27.4	39
3.6	2.30	2.14E	2.59	21	15	average	0.80	35	19	36.6	56
4.7	2.99	2.99	3.18	6	17	high	1.84	62	2	38.2	57
11.9	10.04	10.04	8.88	–12	24	average	4.10	41	10	103.3	51
3.5	6.07	6.07	5.47	–10	18	low	1.00	17	–24	21.0	56

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

			—Stock price—			—Stock performance— —latest 12 months—		—Stock price ratios—			
								—price/earnings—			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Richardson-Vicks/Jun	RVI	n	35– 21*	30– 24	30⅝	7%	89	15– 5*	9.6	9.9	0.57
Riggs National/Dec	RIGS	o	40– 17	39– 27	38	14	95	10– 4	8.5	7.5	0.39
RIHT Financial/Dec	RIHT	o	59– 17	55– 45	47½	–7	76	24– 3	7.0	NA	0.39
Rite Aid/Feb	RAD	n	34– 5	34– 18	31⅛	68	140	18– 7	16.0	15.2	0.91
Roadway Services/Dec	ROAD	o	37– 12	34– 24	29	5	87	17– 7	11.6	10.2	0.79
Rochester Gas & Elec/Dec	RGS	n	21– 10	21– 12	20½	36	113	8– 3	5.6	5.7	0.67
Rockwell Intl/Sep	ROK	n	39– 11	39– 23	35¾	40	116	15– 6	9.9	9.4	0.55
Rohm & Haas/Dec	ROH	n	81– 17	72– 48	61¾	5	87	16– 4	9.2	8.4	0.75
Rubbermaid/Dec	RBD	n	50– 10	50- 33	46⅜	42	118	22– 7	16.9	14.7	1.39
Ryder System/Dec	RDR	n	30– 7	29– 19	25¾	11	93	15– 5	9.0	9.0	0.49
Safeco/Dec	SAFC	o	38– 15	38– 28	34⅜	15	96	13– 5	13.0	10.5	0.70
Safeway Stores/Dec	SA	n	34– 12	34– 21	33⅛	32	110	11– 6	10.6	9.7	0.10
St Paul Cos/Dec	STPL	o	71– 34	68– 38	56¼	–4	79	NM– 4	NM	NM	0.48
San Diego Gas & Elec/Dec	SDO	n	24– 10	24– 18	23⅜	26	105	14– 4	7.8	7.2	0.78
Sanders Associates/Jul	SAA	n	61– 17	51– 31	37	2	85	30–12	18.0	13.6	0.85
Santa Fe Southern/Dec	SFX	n	NA–NA	31– 20	27⅝	15	96	13– 5	10.6	9.3	0.74
Sara Lee/Jun	CFD	n	39– 10	39– 26	38	38	115	10– 5	11.0	10.5	0.28
Scana/Dec	SCG	n	24– 12	24– 18	23	30	108	10– 6	7.5	7.9	0.82
Schering-Plough/Dec	SGP	n	48– 25	42– 33	39⅞	13	94	14– 7	11.4	10.7	1.08
SCM/Jun	SCM	n	50– 17	50– 35	47¾	26	105	24– 3	12.7	8.8	0.22
SCOA Industries/Jan	SCOA	n	34– 7	33– 20	27½	30	108	18– 5	11.5	11.8	0.32
Scott Paper/Dec	SPP	n	39– 14	39– 26	35¾	20	100	15– 3	9.3	7.9	0.61
Sea-Land/Dec	SLN	n	28– 15*	28– 15	24⅜	NA	83	8– 5*	7.0	6.7	0.32
GD Searle/Dec	SRL	n	66– 17	66– 38	56¾	25	104	20–11	17.5	13.2	2.26
Sears, Roebuck/Dec	S	n	45– 14	38– 30	34½	7	89	14– 7	9.5	7.8	0.32
Security Pacific/Dec	SPC	n	31– 9	31– 19	27¼	23	102	8– 3	6.9	6.2	0.39
Service Merchandise/Dec	SMCH	o	27– 4	17– 11	12⅝	–12	72	19– 5	8.6	7.5	0.24
Shared Medical Systm/Dec	SMED	o	44– 7	34– 21	30	19	99	39–13	21.9	18.0	2.87
Shawmut/Dec	SHAS	o	35– 11	35– 23	30	23	102	8– 4	6.5	6.2	0.46
Shell Oil/Dec	UO	n	66– 27	62– 52	59¼	3	86	13– 5	10.3	10.6	0.88
Sherwin-Williams/Dec	SHW	n	35– 6	35– 24	32¼	28	106	15– 5	11.4	10.3	0.35
Shoney's/Oct	SHON	o	28– 3	28– 16	28	60	133	24– 8	24.6	21.1	1.62
Signal Cos/Dec	SGN	n	39– 13	37– 25	33⅛	19	99	39– 6	13.3	10.6	0.60
Singer/Dec	SMF	n	38– 6	38– 24	35½	45	120	NM– 5	13.8	8.5	0.24
SmithKline Beckman/Dec	SKB	n	88– 44	63– 50	59½	19	99	19– 8	9.6	9.2	1.60
Snap-On Tools/Dec	SNA	n	41– 17	41– 29	34⅛	15	96	16– 8	11.6	10.2	1.29
Society/Dec	SOCI	o	44– 14	44– 29	39¾	36	113	8– 3	7.3	6.8	0.58
Sonat/Dec	SNT	n	40– 20	39– 27	36¾	5	87	10– 4	6.9	8.0	0.57
South Carolina Natl/Dec	SCNC	o	36– 8	36– 20	33	65	137	9– 4	9.0	8.4	0.95
Southeast Banking/Dec	STB	n	31– 13	31– 22	28	22	101	9– 4	8.5	7.4	0.44
So Calif Edison/Dec	SCE	n	24– 10	24– 17	23⅞	30	108	8– 5	7.5	7.2	1.05
Southern Company/Dec	SO	n	20– 10	20– 14	19⅜	23	102	8– 5	6.5	6.4	0.79
So New England Tel/Dec	SNG	n	40– 15	40– 28	38⅞	30	108	10– 5	9.6	9.1	0.91
Southland/Dec	SLC	n	48– 11	37– 23	32¼	–3	80	17– 6	9.5	7.8	0.13
Southmark/Jun	SM	n	13– 1	9– 6	7¼	–5	78	NM– 3	4.2	3.8	0.47
SouthTrust/Dec	SOTR	o	26– 6	26– 15	26	64	136	9– 3	8.8	7.6	0.84
Southwest Airlines/Dec	LUV	n	35– 4	26– 15	23⅞	1	84	26– 4	14.1	11.9	1.32
Southwestern Bell/Dec	SBC	n	76– 55*	76– 55	74⅜	28	106	8– 6*	8.3	7.7	1.03

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

	Earnings						Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
6.1%	$3.15	$2.92	$3.06	4%	10	average	$1.48	47%	3%	23.3	39%
4.6	4.49	4.49	5.07	12	3	very high	2.00	45	8	6.0	12
6.4	6.83	6.83	NA	NA	NA	NA	2.32	34	2	2.2	32
5.8	1.94	1.74E	2.05	17	19	verv high	0.50	26	23	41.2	53
6.8	2.49	2.49	2.84	14	18	average	1.00	40	18	39.9	53
13.2	3.64	3.64	3.57	–1	5	high	2.20	60	10	25.6	20
5.6	3.60	3.25	3.82	17	21	high	1.00	28	9	147.8	49
8.4	6.73	6.73	7.36	9	19	high	2.00	30	12	24.8	61
8.3	2.77	2.77	3.17	14	11	very high	0.84	30	12	16.9	41
5.5	2.86	2.86	2.87	0	15	high	0.60	21	3	47.1	80
6.6	2.66	2.66	3.30	24	20	low	1.50	56	11	37.1	55
0.9	3.12	3.12	3.41	9	13	average	1.60	51	5	59.6	50
NM	–10.72	–10.72	–0.37	NM	21	very low	3.00	NM	10	20.0	71
11.3	3.01	3.01	3.24	7	14	high	2.10	70	8	53.9	25
4.7	2.06	2.25	2.73	21	27	average	0.56	27	16	19.2	56
7.4	2.61	2.61	2.97	13	17	average	1.00	38	4	181.1	41
2.6	3.44	3.25	3.61	11	20	very high	1.44	42	8	55.0	42
10.8	3.05	3.00	2.92	–2	14	high	2.16	71	4	40.3	31
9.5	3.50	3.50	3.72	6	28	very high	1.68	48	1	50.7	61
1.8	3.77	4.24	5.43	28	7	low	2.00	53	4	9.9	38
2.9	2.40	2.40	2.33	–3	7	average	0.76	32	15	16.4	35
6.6	3.83	3.83	4.52	18	15	high	1.12	29	2	48.2	40
4.6	3.51	3.51	3.67	5	4	average	0.00	0	NA	23.2	40
13.0	3.24	3.24	4.29	32	24	average	0.52	16	0	49.5	72
3.4	3.64	3.64	4.44	21	26	average	1.76	48	7	361.4	47
5.5	3.96	3.96	4.37	10	26	very high	1.22	31	9	73.0	59
2.7	1.46	1.46	1.69	15	14	low	0.08	5	3	35.6	42
13.2	1.37	1.37	1.67	21	27	high	0.48	35	31	24.4	57
6.6	4.60	4.60	4.87	5	7	high	1.68	37	16	10.4	27
8.6	5.73	5.73	5.59	–2	16	average	2.00	35	5	309.3	33
3.1	2.84	2.84	3.13	10	6	average	0.92	32	25	22.5	47
6.6	1.14	1.09	1.33	22	20	high	0.15	13	11	28.3	39
4.7	2.50	2.50	3.13	25	12	very high	1.00	40	7	109.1	41
2.0	2.57	2.57	4.19	63	12	average	0.10	4	0	17.1	57
17.1	6.19	6.19	6.46	4	29	very high	2.80	45	12	79.4	60
11.0	2.93	2.93	3.33	13	11	average	1.16	40	3	20.4	51
7.2	5.43	5.43	5.84	7	7	high	1.84	34	5	8.7	16
8.3	5.33	5.33	4.60	–13	20	average	1.85	35	21	40.5	46
11.0	3.68	3.68	3.91	6	5	average	0.96	26	8	8.7	31
6.2	3.30	3.30	3.78	14	15	average	1.20	36	4	16.1	43
15.1	3.18	3.18	3.30	3	24	high	2.04	64	9	211.7	45
11.8	3.00	3.00	3.03	0	21	high	1.92	64	4	245.9	22
9.8	4.03	4.03	4.26	5	12	average	2.72	67	9	29.8	20
1.4	3.41	3.41	4.13	21	11	low	1.00	29	12	47.1	37
14.5	1.71	1.71	1.92	12	1	NA	0.20	12	65	34.9	14
9.5	2.96	2.96	3.43	15	4	very high	1.00	34	9	12.6	12
9.3	1.69	1.69	2.00	18	19	low	0.13	8	2	29.4	67
12.3	9.04	9.04	9.71	7	33	high	5.60	62	NA	98.5	35

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

						—Stock performance— —latest 12 months—		—Stock price ratios—			
			—Stock price—					—price/earnings—			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Southwstrn Pub Svc/Aug	SPS	n	22– 10	22– 17	21⅛	10%	91	10– 5	8.1	7.9	1.04
Sovran Financial/Dec	SOVN	o	43– 10	43– 25	40	22	101	9– 3	8.5	7.7	0.75
Sperry/Mar	SY	n	66– 21	54– 34	51	21	100	15– 5	10.4	8.7	0.54
Square D/Dec	SQD	n	44– 18	44– 31	37⅜	2	85	19– 6	10.1	8.8	0.79
Squibb/Dec	SQB	n	56– 24	55– 38	54¼	19	99	17– 9	14.7	13.0	1.54
Staley Cntl/Sep	STA	n	43– 15	24– 18	20⅜	–5	78	NM– 3	16.4	9.7	0.26
Standard Oil Ind/Dec	SN	n	100– 34	64– 50	62⅛	17	97	15– 5	8.1	7.8	0.63
Standard Oil Ohio/Dec	SOH	n	92– 27	51– 40	47⅛	6	88	12– 3	7.7	6.9	0.95
Stanley Works/Dec	SWK	n	30– 13	30– 20	27⅛	10	91	19– 7	10.4	9.0	0.63
State Street Boston/Dec	STBK	o	56– 5	56– 31	52¼	63	135	9– 2	9.2	9.2	0.89
Stauffer Chemical/Sep	STF	n	32– 15	28– 16	27¾	23	102	NM– 5	NM	17.3	0.83
Sterling Drug/Dec	STY	n	33– 16	33– 24	33⅜	30	108	14– 9	14.1	13.0	1.10
Stop & Shop Cos/Jan	SHP	n	63– 5	53– 32	45⅞	31	109	14– 3	10.0	9.1	0.19
Storer Comm/Dec	SCI	n	73– 21	73– 31	72½	125	187	NM–10	–71.1	69.0	2.21
Student Loan Mktg/Dec	SLM	n	35– 21*	35– 22	26⅞	10	91	21–13*	14.1	11.2	0.91
Subaru of America/Oct	SBRU	o	142– 10	142– 77	134	73	144	14– 4	13.0	11.0	0.68
Suburban Bancorp/Dec	SUBC	o	47– 13	47– 32	46¼	32	110	9– 4	8.6	7.8	0.86
Sumitomo Bank Cal/Dec	SUMI	o	18– 9	15– 12	14	–2	81	8– 4	7.2	NA	0.28
Sun Banks/Dec	SU	n	33– 11	33– 22	30¼	24	103	10– 5	10.3	8.3	0.64
Sun Company/Dec	SUN	n	60– 27	60– 44	49½	–6	77	14– 3	10.6	10.4	0.39
Sundstrand/Dec	SNS	n	60– 23	50– 34	45	5	87	21– 5	12.4	9.8	0.80
Sunwest Financial/Dec	SFSI	o	41– 13	41– 29	38¼	26	105	8– 4	8.4	8.6	0.72
Super Food Services/Aug	SFS	a	29– 6	29– 16	27⅞	48	123	18– 6	12.3	11.3	0.07
Super Valu Stores/Feb	SVU	n	37– 9	35– 24	30⅝	28	106	18– 7	13.7	11.7	0.18
Supermarkets General/Jan	SGL	n	39– 5	39– 20	36⅞	72	143	14– 4	12.5	11.0	0.15
Swift Independent/Oct	SFT	a	38– 9*	28– 20	24⅞	–10	74	23– 2*	20.2	9.9	0.04
Sysco/Jun	SYY	n	45– 7	38– 26	34¼	–8	76	23– 6	15.1	13.9	0.30
Tambrands/Dec	TMB	o	73– 25	73– 47	68⅞	37	114	14– 7	13.5	11.9	1.96
Tandem Computers/Sep	TNDM	o	40– 6	34– 13	22¼	–32	56	72–13	19.5	16.7	1.61
Tandy/Jun	TAN	n	65– 7	37– 23	33¼	1	84	28– 6	13.5	13.0	1.07
TECO Energy/Dec	TE	n	32– 15	32– 24	29½	13	94	9– 5	7.9	8.0	1.11
Tecumseh Products/Dec	TECU	o	106– 52	106– 79	104	14	95	12– 5	8.0	8.0	0.63
Tektronix/May	TEK	n	87– 34	68– 51	58⅜	3	86	34– 9	8.5	9.3	0.80
Tele-Comm/Dec	TCOMA	o	27– 4	27– 16	25⅞	52	126	NM–16	66.3	57.5	2.44
Teledyne/Dec	TDY	n	302– 61	302–147	252¼	51	125	16– 4	14.3	11.2	0.85
Telerate/Sep	TLR	n	24– 14*	23– 14	20⅝	15	96	52–21*	29.9	23.4	7.45
Temple-Inland/Dec	TIN	n	40– 25*	40– 26	33⅞	4	86	18– 7*	8.0	7.2	0.65
Tenneco/Dec	TGT	n	58– 23	45– 32	40½	1	84	10– 4	10.1	8.2	0.40
Tesoro Petroleum/Sep	TSO	n	32– 9	21– 9	12⅜	–22	64	57– 2	49.5	15.9	0.06
Texaco/Dec	TX	n	54– 26	41– 32	34¾	–10	74	40– 4	33.7	7.5	0.17
Texas Air/Dec	TEX	a	15– 4	12– 6	10⅝	63	135	NM– 6	8.6	4.3	0.10
Texas American Bshs/Dec	TXA	n	46– 16	43– 33	34⅜	–8	76	12– 5	8.5	7.4	0.55
Texas Cmmrce Bshs/Dec	TCB	n	48– 21	48– 35	36⅛	–17	68	11– 5	6.4	5.8	0.57
Texas Eastern/Dec	TET	n	45– 19	36– 26	31½	0	82	11– 5	7.8	7.9	0.27
Texas Instruments/Dec	TXN	n	176– 71	150–106	110⅜	–17	68	NM– 8	8.5	11.5	0.47
Texas Oil & Gas/Aug	TXO	n	28– 7	28– 17	16⅞	–28	59	27– 8	10.1	9.2	1.74
Texas Utilities/Dec	TXU	n	28– 15	28– 21	27	16	96	8– 5	6.5	6.3	0.88
Textron/Dec	TXT	n	44– 17	44– 26	42	52	126	17– 5	13.5	9.3	0.44

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
13.7%	$2.62	$2.57	$2.67	4%	14	high	$1.88	72%	8%	39.9	24%
8.8	4.73	4.73	5.19	10	15	high	1.68	36	10	17.0	31
5.0	4.89	4.84E	5.87	21	16	high	1.92	39	3	56.4	65
7.8	3.71	3.71	4.26	15	12	very high	1.84	50	3	28.7	61
10.5	3.68	3.68	4.18	14	29	very high	1.60	44	6	53.3	61
1.6	1.24	1.26	2.09	66	16	low	0.80	65	0	27.9	40
8.1	7.70	7.70	7.92	3	32	high	3.30	43	8	274.7	37
12.7	6.14	6.14	6.84	12	30	average	2.80	46	42	236.7	19
6.3	2.60	2.60	3.02	16	10	very high	0.96	37	7	26.9	37
10.2	5.67	5.67	5.71	1	10	average	1.06	19	17	8.2	41
NM	–0.11	0.34	1.60	371	20	low	1.44	NM	5	43.5	64
7.8	2.37	2.37	2.57	8	32	very high	1.16	49	6	60.2	61
1.7	4.60	4.60	5.05	10	8	high	1.00	22	18	13.7	50
–3.1	–1.02	–1.02	1.05	NM	16	very low	0.40	NM	–14	16.4	53
8.2	1.91	1.91	2.39	25	10	very high	0.16	8	19	41.2	32
5.3	10.32	9.84	12.14	23	9	average	1.68	16	57	6.1	26
9.3	5.38	5.38	5.90	10	8	high	1.92	36	4	5.4	23
3.6	1.95	1.95	NA	NA	NA	NA	1.16	60	4	5.9	NA
6.2	2.95	2.95	3.64	23	18	average	1.20	41	10	22.0	35
3.7	4.67	4.67	4.74	1	24	average	2.30	49	7	112.8	42
6.4	3.63	3.63	4.60	27	12	average	1.80	50	4	18.3	55
8.6	4.56	4.56	4.45	–2	2	high	1.40	31	5	4.5	11
0.6	2.27	2.20	2.46	12	4	very high	0.44	19	16	3.3	28
1.3	2.23	2.26E	2.62	16	13	high	0.68	31	15	37.0	50
1.2	2.95	2.95	3.35	14	7	very high	0.42	14	12	17.8	59
0.2	1.23	2.32	2.52	9	8	low	1.20	98	30	5.0	31
1.9	2.27	2.14	2.47	15	17	very high	0.40	18	26	21.5	51
14.5	5.11	5.11	5.78	13	13	very high	3.20	63	5	11.1	63
8.3	1.14	1.04	1.33	28	24	average	0.00	NA	NA	40.6	68
8.6	2.46	2.75	2.55	–7	28	average	0.00	NA	NA	88.2	43
13.6	3.72	3.72	3.71	0	18	high	2.20	59	9	27.0	44
7.8	12.92	12.92	13.00	1	1	NA	4.70	36	9	5.5	40
9.3	6.84	5.05E	6.25	24	18	average	1.00	15	3	19.4	61
3.9	0.39	0.39	0.45	15	7	very low	0.00	NA	NA	42.4	54
7.7	17.69	17.69	22.46	27	8	low	0.00	NA	NA	11.7	22
24.8	0.69	0.65	0.88	35	3	high	0.32	46	NA	44.2	6
8.1	4.24	4.24	4.68	10	12	average	0.64	15	NA	24.1	55
4.2	4.01	4.01	4.95	23	27	low	2.92	73	3	145.2	43
0.4	0.25	0.59	0.78	32	2	average	0.40	160	8	13.7	27
0.6	1.03	1.03	4.61	348	36	low	3.00	291	4	237.4	32
2.0	1.24	1.24	2.47	99	7	low	0.00	NA	NA	14.2	22
6.5	4.06	4.06	4.66	15	9	very high	1.52	37	13	10.6	30
8.9	5.64	5.64	6.20	10	24	high	1.56	28	15	32.5	49
3.4	4.04	4.04	3.99	–1	23	average	2.20	55	6	52.7	51
5.5	13.05	13.05	9.60	–26	31	low	2.00	15	0	24.6	74
17.2	1.67	1.65	1.83	11	33	high	0.18	11	25	210.2	55
13.4	4.15	4.15	4.29	3	25	very high	2.52	61	8	128.6	65
3.5	3.11	3.11	4.53	46	9	low	1.80	58	0	33.7	35

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

			Stock price			Stock performance—latest 12 months		Stock price ratios: price/earnings			Stock price ratios
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/ sales
Third National/Dec	TDAT	o	37– 8	37– 21	36¼	47%	122	8– 3	8.1	7.2	0.68
Thrifty Corp/Aug	TFD	n	25– 4	23– 12	21⅛	63	135	24– 6	14.8	12.4	0.32
Time Inc/Dec	TL	n	NA–NA	53– 34	51⅞	27	105	35– 8	15.4	14.1	1.03
Times Mirror/Dec	TMC	n	51– 14	51– 34	48¼	35	112	19– 7	14.3	13.2	1.20
Toledo Edison/Dec	TED	n	23– 13	19– 13	18⅜	2	85	8– 4	5.0	5.0	1.14
Toledo Trustcorp/Dec	TTCO	o	43– 16	43– 34	39	1	84	10– 4	8.8	7.7	0.67
Torchmark/Dec	TMK	n	45– 8	45– 20	42⅛	113	177	14– 5	13.4	11.6	1.28
Tosco/Dec	TOS	n	45– 1	5– 1	1¾	–59	33	NM– 1	NM	NM	0.02
Toys "R" Us/Jan	TOY	n	35– 3	35– 24	30½	20	100	39– 8	23.5	18.0	1.45
Trans World Airlines/Dec	TWA	n	18– 7*	14– 8	12⅜	29	107	NM– 8*	72.8	9.4	0.11
Transamerica/Dec	TA	n	33– 15	31– 21	28½	22	101	11– 4	11.0	9.3	0.34
Transco Energy/Dec	E	n	64– 23	56– 38	55	37	114	14– 4	10.4	9.8	0.37
Transohio Finl/Dec	TFC	n	14– 3	13– 6	11⅞	34	111	NM– 4	12.4	5.9	0.24
Transworld/Dec	TW	n	38– 7*	38– 25	34⅛	27	105	12– 8*	10.9	9.7	0.56
Travelers/Dec	TIC	n	45– 17	45– 26	41¾	24	103	14– 4	13.6	9.7	0.26
Tribune/Dec	TRB	n	44– 24*	44– 25	43½	65	137	17–10*	17.1	14.4	0.98
Trust Co of Georgia/Dec	TRGA	o	35– 6	35– 23	33	25	104	10– 4	9.0	8.0	1.24
TRW/Dec	TRW	n	82– 35	82– 58	77¾	15	96	17– 6	10.9	9.8	0.47
Tucson Electric Pwr/Dec	TEP	n	41– 12	38– 30	36⅜	–3	86	10– 4	9.0	7.9	2.43
Turner/Dec	TUR	a	28– 6	28– 21	27⅛	14	95	9– 4	8.8	7.2	0.06
UAL/Dec	UAL	n	50– 14	50– 28	44½	39	115	NM– 4	6.5	6.3	0.22
Union Camp/Dec	UCC	n	43– 18	41– 31	33¾	–11	73	17– 6	9.1	8.7	0.84
Union Carbide/Dec	UK	n	74– 33	59– 33	37⅜	–31	56	61– 3	7.7	6.8	0.28
Union Electric/Dec	UEP	n	17– 10	17– 12	16½	29	107	7– 4	5.8	6.4	1.16
Union National/Dec	UNBC	o	40– 16	40– 27	38	41	117	9– 4	8.6	NA	0.61
Union Pacific/Dec	UNP	n	96– 29	51– 34	47	3	86	24– 8	11.7	10.4	0.68
Union Trust Bancorp/Dec	UTBC	o	57– 12	57– 35	56½	42	118	NM– 3	7.2	6.7	0.60
Uniroyal/Dec	R	n	18– 3	17– 10	15¼	17	97	NM– 3	10.4	6.1	0.24
United Banks of Colo/Dec	UBKS	o	27– 13	27– 17	24⅝	37	114	10– 5	8.2	7.3	0.44
United Brands/Mar	UB	n	27– 7	19– 10	13½	–25	61	NM– 4	17.1	9.0	0.05
Utd Energy Resources/Dec	UER	n	56– 22	32– 22	30¼	26	105	50– 3	24.0	8.5	0.21
United Financial Grp/Dec	UFGI	o	13– 2*	11– 5	8⅛	14	95	NM– 1*	1.5	NA	0.17
United Illuminating/Dec	UIL	n	29– 9	22– 9	16⅛	–25	61	6– 2	3.0	3.3	0.43
United Jersey Banks/Dec	UJB	n	37– 8	37– 26	35¾	24	103	9– 3	8.3	7.4	0.56
United Missouri Bshs/Dec	UMSB	o	36– 11	36– 26	33¼	16	96	9– 4	8.3	NA	0.97
US Bancorp/Dec	USBC	o	30– 12	30– 16	29⅞	48	123	10– 4	9.8	8.5	0.77
United States Shoe/Jan	USR	n	49– 5	32– 23	28½	–7	76	17– 4	11.8	8.4	0.37
United States Steel/Dec	X	n	35– 16	31– 22	27¼	–9	75	NM– 2	9.8	5.9	0.16
US Tobacco/Dec	UBO	n	43– 9	40– 31	37⅜	4	86	17– 7	13.2	11.1	2.35
US Trust/Dec	USTC	o	32– 8	32– 25	27⅞	10	91	11– 5	8.2	7.8	0.65
US West/Dec	USW	n	76– 55*	76– 56	75½	27	105	8– 6*	8.2	7.8	1.00
United Technologies/Dec	UTX	n	45– 16	45– 29	40	32	110	12– 4	8.2	8.1	0.30
United Telecom/Dec	UT	n	25– 14	24– 17	22¼	15	96	11– 4	8.7	8.0	0.70
United Virginia Bshs/Dec	UVBK	o	42– 11	42– 25	39¼	44	120	9– 4	8.4	7.5	0.73
Unocal/Dec	UCL	n	57– 21	50– 30	46½	36	113	15– 5	11.5	10.8	0.75
Upjohn/Dec	UPJ	n	79– 38	79– 45	76⅞	28	106	14– 7	13.6	12.9	1.08
USAir Group/Dec	U	n	40– 7	39– 22	32⅜	16	96	11– 2	6.6	6.6	0.46
USF&G/Dec	FG	n	32– 16	32– 18	31⅜	8	90	19– 4	18.4	25.5	0.61

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
8.3%	$4.46	$4.46	$5.01	12%	5	very high	$1.28	29%	18%	8.7	41%
2.2	1.43	1.40	1.70	21	4	very high	0.60	42	9	20.0	20
7.1	3.37	3.37	3.67	9	22	average	1.00	30	–1	60.7	52
8.4	3.38	3.38	3.65	8	19	high	1.36	40	12	68.7	43
27.8	3.70	3.70	3.68	0	9	average	2.52	68	4	34.3	15
9.5	4.43	4.43	5.05	14	2	high	1.90	43	4	3.9	33
11.5	3.15	3.15	3.62	15	16	average	1.00	32	9	34.2	45
NM	–10.19	–10.19	–1.20	NM	3	very low	0.00	NA	NA	23.8	6
6.5	1.30	1.30	1.69	30	17	high	0.00	NA	NA	80.7	52
0.8	0.17	0.17	1.31	671	18	very low	0.00	NA	NA	32.7	63
3.2	2.60	2.60	3.05	17	12	average	1.64	63	8	65.3	43
3.8	5.27	5.27	5.59	6	23	average	2.16	41	9	24.4	42
1.6	0.96	0.96	2.00	108	2	very low	0.00	NA	NA	5.8	16
5.7	3.14	3.14	3.52	12	11	average	0.40	13	NA	32.7	69
2.6	3.08	3.08	4.29	39	24	low	2.04	66	16	84.7	65
5.7	2.55	2.55	3.03	19	12	average	0.84	33	5	40.4	33
14.5	3.67	3.67	4.12	12	10	high	1.00	27	19	24.4	27
4.4	7.14	7.14	7.90	11	17	high	3.00	42	7	36.6	58
36.9	4.02	4.02	4.58	14	15	low	3.00	75	14	23.5	40
0.7	3.09	3.09	3.75	21	1	NA	1.20	39	17	3.9	9
3.7	6.84	6.84	7.06	3	19	low	1.00	15	NA	34.7	77
9.2	3.72	3.72	3.89	5	16	average	1.64	44	5	48.8	63
3.6	4.84	4.84	5.53	14	28	low	3.40	70	8	70.4	53
23.0	2.84	2.84	2.58	–9	15	average	1.72	61	4	98.4	19
7.2	4.42	4.42	NA	NM	NA	NA	2.04	46	7	3.9	43
6.3	4.01	4.01	4.54	13	19	high	1.80	45	5	112.8	53
8.2	7.82	7.82	8.40	7	2	very high	2.40	31	9	2.5	28
2.6	1.47	1.47	2.52	71	9	low	0.18	12	NA	34.0	43
6.8	3.02	3.02	3.38	12	6	very high	1.08	36	8	8.4	46
0.4	0.79	0.85E	1.50	76	1	NA	0.00	NA	NA	12.6	79
0.9	1.28	1.28	3.60	181	18	average	2.48	194	12	27.8	38
12.1	5.29	5.29	NA	NA	NA	NA	0.00	NA	NA	8.1	2
17.3	5.40	5.40	4.95	–8	1	NA	2.00	37	–2	3.4	7
7.4	4.32	4.32	4.81	11	7	very high	1.56	36	8	6.6	20
11.7	4.01	4.01	NA	NA	NA	NA	1.00	25	12	7.3	7
7.8	3.05	3.05	3.50	15	18	high	1.00	33	5	19.8	47
3.1	2.42	2.42	3.38	40	15	average	0.86	36	13	21.8	61
2.3	2.78	2.78	4.59	65	16	very low	1.00	36	–18	107.2	38
18.9	2.86	2.86	3.39	19	17	high	1.72	60	21	27.7	42
7.9	3.42	3.42	3.58	5	2	high	1.20	35	6	6.2	56
12.2	9.24	9.24	9.73	5	35	high	5.40	58	NA	96.0	38
3.9	4.90	4.90	4.96	1	24	high	1.40	29	5	121.4	54
8.2	2.57	2.57	2.77	8	20	average	1.92	75	3	90.2	46
8.6	4.66	4.66	5.21	12	10	high	1.64	35	15	12.3	32
6.5	4.03	4.03	4.32	7	35	average	1.00	25	7	173.7	37
7.9	5.67	5.67	5.98	5	31	high	2.56	45	7	30.7	69
7.5	4.92	4.92	4.87	–1	16	average	0.12	2	2	23.0	68
3.3	1.72	1.72	1.24	–28	20	very low	2.08	121	10	54.8	39

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan Data on diskette from Isys Corp.; Forbes

The Forbes 500s on Wall Street

			Stock price			Stock performance—latest 12 months		Stock price ratios			
								price/earnings			
Company/fiscal year-end	Ticker	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1985 est	price/sales
USG/Dec	USG	n	36– 13	36– 23	34½	16%	103	22– 4	6.1	2.7	0.49
USlife/Dec	USH	n	41– 15	41– 24	40¼	46	121	58– 4	58.3	10.4	0.80
Utah Power & Light/Dec	UTP	n	25– 13	25– 20	22⅜	5	87	13– 6	12.6	8.8	1.24
Valero Energy/Dec	VLO	n	44– 6	15– 6	8⅞	–32	56	NM– 4	NM	NM	9.00
Valley Federal S&L/Dec	VFED	o	30– 7*	18– 7	17¾	22	101	NM–93*	NM	25.4	0.15
Valley National/Dec	VNCP	o	36– 13	36– 21	34¼	49	124	10– 4	9.5	8.3	0.59
Varian Associates/Sep	VAR	n	63– 11	47– 30	31⅞	–19	66	57– 8	11.5	10.4	0.73
VF/Dec	VFC	n	41– 5	33– 22	31¾	17	97	13– 4	8.1	8.2	0.84
Vulcan Materials/Dec	VMC	n	78– 31	78– 58	77¼	26	105	15– 5	11.4	8.7	0.91
Wachovia/Dec	WB	n	35– 8	35– 21	33	45	120	10– 5	10.6	9.3	1.17
Wal-Mart Stores/Jan	WMT	n	48– 4	48– 31	44⅝	33	110	33– 9	23.4	17.9	0.96
Waldbaum/Dec	WALD	o	28– 5	20– 15	18	18	98	9– 3	7.5	NA	0.06
Walgreen/Aug	WAG	n	55– 7	55– 29	52⅞	57	130	18– 5	18.4	16.5	0.57
Wang Laboratories/Jun	WANB	a	43– 7	32– 18	19	–31	56	45–13	11.6	10.6	1.09
Warner Commun/Dec	WCI	n	63– 17	26– 17	26	18	98	NM– 7	NM	18.4	0.78
Warner-Lambert/Dec	WLA	n	38– 17	38– 29	37¾	12	93	NM– 7	13.4	12.0	0.94
Washington Mutual/Dec	WAMU	o	19– 8*	14– 8	11¾	8	90	NM– 6*	NM	5.6	0.19
Washington National/Dec	WNT	n	40– 12	28– 16	26⅝	22	101	27– 4	26.6	10.4	0.35
Washington Post/Dec	WPOB	a	111– 16	111– 63	108½	72	143	18– 6	17.8	15.5	1.54
Washington Wtr Pwr/Dec	WWP	n	23– 15	21– 16	20⅛	10	91	9– 5	8.2	6.6	1.02
Waste Management/Dec	WMX	n	62– 12	53– 27	50½	42	118	25–10	17.2	13.6	1.87
Weis Markets/Dec	WMK	n	40– 10	38– 30	37½	16	96	17– 7	14.0	12.2	0.81
Wells Fargo/Dec	WFC	n	56– 18	56– 31	53⅝	46	121	8– 3	7.8	6.8	0.34
Wendy's Internationl/Dec	WEN	n	17– 2	17– 10	17	53	127	18– 5	18.1	15.5	1.33
West Point-Pepperell/Aug	WPM	n	55– 14	47– 34	37½	–2	81	12– 4	8.3	8.8	0.30
Western S&L/Dec	WFN	a	30– 3	30– 16	26⅞	41	117	23– 2	23.2	NA	0.24
Western Union/Dec	WU	n	54– 6	27– 6	8⅜	–67	27	NM– 6	NM	104.7	0.18
Westinghouse Elec/Dec	WX	n	33– 10	33– 20	30½	30	108	11– 4	10.0	8.7	0.52
Westvaco/Oct	W	n	42– 17	41– 32	37⅝	5	87	18– 5	8.0	7.5	0.60
Wetterau/Mar	WETT	o	27– 9	27– 17	26⅜	41	117	NM– 6	11.0	13.0	9.00
Weyerhaeuser/Dec	WY	n	42– 23	34– 25	27⅝	–13	71	44–11	18.2	12.0	0.65
Whirlpool/Dec	WHR	n	57– 15	50– 37	46	9	91	13– 6	8.9	8.2	0.54
White Consolidated/Dec	WSW	n	48– 19	36– 24	28¾	–16	69	NM– 5	NM	8.2	0.24
Whitney Holding/Dec	WHL	o	99– 60	81– 60	81	NA	NA	NA–NA	10.3	8.8	1.58
Whittaker/Oct	WKR	n	51– 15	26– 15	24¾	25	104	15– 4	10.4	13.0	0.25
Wickes Cos/Jan	WICSV	o	17– 2	5– 2	3½	–18	68	33– 2	3.0	NA	0.11
Willamette Inds/Dec	WMTT	o	47– 16	46– 23	38¼	13	94	NM– 6	8.8	8.3	0.49
Williams Cos/Dec	WMB	n	50– 13	32– 23	27⅞	0	83	40– 5	6.4	6.3	0.28
Wilson Foods/Jul	WILF	o	15– 4	11– 7	8¾	–6	77	NM– 2	NM	9.4	0.03
Winn-Dixie Stores/Jun	WIN	n	37– 15	35– 26	34¼	15	96	14– 7	12.6	11.8	0.19
Wisconsin Elec Pwr/Dec	WPC	n	34– 13	34– 25	32½	27	105	8– 5	7.5	7.3	0.77
Witco Chemical/Dec	WIT	n	41– 14	41– 28	39	20	96	12– 5	9.1	8.0	0.38
FW Woolworth/Jan	Z	n	44– 16	44– 30	40⅞	27	105	19– 3	9.2	8.3	0.22
Xerox/Dec	XRX	n	72– 27	46– 33	43	5	87	20– 5	20.4	9.8	0.47
Yellow Freight Systm/Dec	YELL	o	49– 11	40– 23	33⅞	10	91	29– 7	10.9	8.6	0.35
Zayre/Jan	ZY	n	58– 4	58– 30	55¼	67	139	20– 4	13.8	11.8	0.34
Zenith Electronics/Dec	ZE	n	39– 8	31– 18	21⅛	–24	62	NM– 7	7.3	8.8	0.27
Zions Utah Bancorp/Dec	ZION	o	38– 13	38– 29	37	22	101	9– 4	9.0	8.2	0.74

*Range is for less than 5 years. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of March 22, 1985.

Earnings							Dividends			Shares outstanding	
net profit margin	latest 12 months EPS	1984 EPS	estimated 1985 EPS	% change '85 vs '84 EPS	number of analysts	confidence factor on estimate	indicated rate	payout ratio	5-year growth rate	common stock (mil)	% held by institutions
8.0%	$5.64	$5.64	$12.63	12.4%	11	average	$1.68	30%	4%	33.1	2%
2.0	0.69	0.69	3.86	459	15	average	1.04	151	7	18.3	45
11.9	1.78	1.78	2.53	42	17	high	2.32	130	4	53.8	16
NM	–1.14	–1.14	–0.43	NM	7	very low	0.00	NA	NA	22.2	23
NM	–4.90	–4.90	0.70	NM	1	NA	0.00	NA	NA	2.6	52
6.2	3.60	3.60	4.15	15	15	average	1.20	33	1	16.7	59
6.3	2.76	2.72	3.06	12	19	average	0.26	9	8	21.9	23
10.7	3.92	3.92	3.88	–1	11	average	1.12	29	25	30.9	57
8.0	6.75	6.75	8.88	32	7	low	2.80	42	5	11.6	57
11.0	3.11	3.11	3.54	14	27	high	0.92	30	18	32.3	49
4.2	1.91	1.91	2.49	30	19	high	0.28	15	43	140.2	38
0.8	2.41	2.41	NA	NA	NA	NA	0.00	NA	NA	5.4	15
3.1	2.88	2.78	3.21	15	15	very high	0.88	31	21	30.7	45
9.5	1.64	1.52	1.79	18	32	high	0.16	10	31	139.1	37
NM	–9.93	–9.93	1.41	NM	18	very low	0.75	NM	24	60.9	10
7.1	2.81	2.81	3.14	12	31	very high	1.48	53	3	79.1	57
NM	–1.56	–1.56	2.08	NM	4	very low	0.00	NA	NA	6.1	22
1.3	1.00	1.00	2.57	157	4	very low	1.08	108	1	10.8	34
8.7	6.11	6.11	6.99	14	11	high	0.96	16	3	14.0	46
15.9	2.46	2.46	3.05	24	3	average	2.48	101	4	20.8	7
10.8	2.93	2.93	3.71	27	12	average	0.80	27	33	48.7	55
5.8	2.68	2.68	3.07	15	3	average	0.70	26	13	20.6	44
5.0	6.85	6.85	7.85	15	23	high	2.40	35	3	21.2	58
7.3	0.94	0.94	1.10	17	21	high	0.21	22	17	73.3	29
3.6	4.52	5.40	4.28	–21	11	low	2.20	49	10	10.3	45
2.9	1.16	1.16	NA	NA	NA	NA	0.48	41	NA	4.0	17
NM	–3.24	–3.24	0.08	NM	7	very low	0.00	NA	NA	24.4	22
5.2	3.04	3.04	3.49	15	23	high	1.00	33	6	174.7	40
7.5	4.70	4.60	5.02	9	14	average	1.32	28	3	28.5	41
0.9	2.39	2.43E	2.03	–16	14	average	0.88	37	4	10.6	29
4.1	1.52	1.52	2.30	51	15	low	1.30	86	0	129.7	24
6.0	5.18	5.18	5.64	9	11	average	2.00	39	9	36.6	63
NM	–5.13	–5.13	3.50	NM	7	average	1.50	NM	1	15.7	72
15.2	7.87	7.87	9.25	18	1	NA	3.80	48	NA	4.3	NA
2.5	2.39	3.01	1.90	–37	9	very low	0.60	25	6	14.0	46
0.6	1.17	1.17	NA	NA	NA	NA	0	NA	NA	9.5	NA
5.6	4.34	4.34	4.62	6	11	average	1.65	38	5	15.2	42
4.4	4.36	4.36	4.41	1	18	low	1.40	32	2	34.3	60
NM	–2.73	–1.21	0.99	NM	2	low	0	NA	NA	5.9	2
1.5	2.72	2.83	2.90	2	7	average	1.68	62	10	40.9	99
11.3	4.35	4.35	4.43	2	24	very high	2.28	52	8	34.5	26
4.2	4.28	4.28	4.85	13	10	high	1.48	35	7	14.6	47
2.5	4.45	4.45	4.94	11	16	average	1.80	40	0	31.4	60
2.8	2.11	2.11	4.38	108	16	average	3.00	142	1	95.9	57
3.2	3.10	3.10	3.93	27	17	high	1.00	32	4	14.2	50
2.6	3.99	3.99	4.69	18	14	very high	0.40	10	36	19.7	65
3.7	2.88	2.88	2.41	–16	7	low	0.00	NA	NA	22.1	40
8.8	4.13	4.13	4.49	9	4	high	1.24	30	14	5.7	20

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan Data on diskette from Isys Corp.; FORBES

Where to find The Forbes 500s

ADDRESSES

This section lists basic data on the 785 companies in The Forbes 500s. Address, telephone, industry group and CEO are included.

Abbott Laboratories
Route 137 & Waukegan Road
Abbott Park, IL 60064
312-937-6100

CEO: Robert A Schoellhorn
Health care–drugs
Health care–products

Advanced Micro Devices
901 Thompson Place
Sunnyvale, CA 94088
408-732-2400

CEO: Walter J Sanders III
Electronics–semiconductors

Aetna Life & Casualty
151 Farmington Avenue
Hartford, CT 06156
203-273-0123

CEO: James T Lynn
Insurance–diversified

Affiliated Bankshares of Colorado
1101 Arapahoe Avenue
Boulder, CO 80302
303-449-2030

CEO: Leo Hill
Banks–West

HF Ahmanson
3731 Wilshire Boulevard
Los Angeles, CA 90010
213-487-4277

CEO: Richard H Deihl
Thrift institutions

Where to find The Forbes 500s

Air Products & Chemicals
PO Box 538
Allentown, PA 18105
215-481-4911
CEO: Edward Donley
Specialized chemicals

Albertson's
PO Box 20
Boise, ID 83726
208-344-7441
CEO: Warren E McCain
Supermarkets-major chains

Alco Standard
PO Box 834
Valley Forge, PA 19482
215-296-8000
CEO: Ray B Mundt
Paper
Health care-products

Alexander & Baldwin
PO Box 3440
Honolulu, HI 96801
808-525-6611
CEO: Robert J Pfeiffer
Surface transportation-other

Alleghany
Park Avenue Plaza
New York, NY 10055
212-752-1356
CEO: F M Kirby
Metals-steel

Allegheny International
PO Box 456
Pittsburgh, PA 15230
412-562-4000
CEO: Robert J Buckley
Diversified companies-conglomerates
Consumer products-appliances

Allegheny Power System
320 Park Avenue
New York, NY 10022
212-752-2121
CEO: Klaus Bergman
Electric utilities-Midwest

Allied Bancshares
PO Box 1515
Houston, TX 77251
713-224-6611
CEO: Gerald H Smith
Banks-Southwest

Allied Corp
PO Box 4000R
Morristown, NJ 07960
201-455-2000
CEO: Edward L Hennessey Jr
Diversified cos-conglomerates/Diversified chemicals/Automotive suppliers-parts makers

Allied Stores
1114 Avenue of the Americas
New York, NY 10036
212-764-2000
CEO: Thomas M Macioce
General retailers-department stores

Alltel
100 Executive Parkway
Hudson, OH 44236
216-650-7187
CEO: Weldon W Case
Telecommunications-carriers

Aluminum Co of America
1501 Alcoa Building
Pittsburgh, PA 15219
412-553-4545
CEO: Charles W Parry
Metals-nonferrous metals

AMAX
PO Box 1700
Greenwich, CT 06836
203-629-6000
CEO: Pierre Gousseland
Metals-nonferrous metals

Amerada Hess
1185 Avenue of the Americas
New York, NY 10036
212-997-8500
CEO: Philip Kramer
Petroleum-other oil and gas

American Brands
245 Park Avenue
New York, NY 10167-0011
212-880-4200
CEO: Edward W Whittemore
Diversified companies-multicompanies
Tobacco

American Broadcasting Cos
1330 Avenue of the Americas
New York, NY 10019
212-887-7777
CEO: Leonard H Goldenson
Broadcasting

American Can
PO Box 3610
Greenwich, CT 06836-3610
203-552-2000
CEO: William S Woodside
Packaging

American Continental
2735 East Camelback Road
Phoenix, AZ 85016
602-957-7170
CEO: Charles H Keating Jr
Builders-residential

American Cyanamid
One Cyanamid Plaza
Wayne, NJ 07470
201-831-2000
CEO: George J Sella Jr
Diversified chemicals
Health care-drugs

American Electric Power
One Riverside Plaza
Columbus, OH 43215
614-223-1000
CEO: Willis S White Jr
Electric utilities-Midwest

American Express
American Express Plaza
New York, NY 10004
212-323-2000
CEO: James D Robinson III
Financial services-lending, leasing and insurance
Insurance-property and casualty

American Fletcher
111 Monument Circle
Indianapolis, IN 46277
317-639-3000
CEO: Frank E McKinney Jr
Banks-Midwest

American General
PO Box 3247
Houston, TX 77253
713-522-1111
CEO: Harold S Hook
Insurance-diversified

American Greetings
10500 American Road
Cleveland, OH 44144
216-252-7300
CEO: Irving I Stone
Publishing

American Home Products
685 Third Avenue
New York, NY 10017
212-878-5000
CEO: John W Culligan
Health care-drugs
Consumer products-household products

American Hospital Supply
One American Plaza
Evanston, IL 60201
312-866-4000
CEO: Karl D Bays
Health care-products

Amer Information Technologies
30 South Wacker Drive
Chicago, IL 60606
312-750-5000
CEO: William L Weiss
Telecommunications-carriers

American International Group
70 Pine Street
New York, NY 10270
212-770-7000
CEO: Maurice R Greenberg
Insurance-diversified

American Medical International
414 North Camden Drive
Beverly Hills, CA 90210
213-278-6200
CEO: Royce Diener
Health care-hospital management

American Motors
27777 Franklin Road
Southfield, MI 48034
313-827-1000
CEO: Jose J Dedeurwaerder
Automobiles and trucks

Where to find The Forbes 500s

American National Insurance
1 Moody Plaza
Galveston, TX 77550
409–763–4661
CEO: Orson C Clay
Insurance-life and health

American Natural Resources
One Woodward Avenue
Detroit, MI 48226
313–965–1200
CEO: Arthur R Seder Jr
Natural gas utilities-producers and pipelines

American Petrofina
Box 2159
Dallas, TX 75221
214–750–2400
CEO: Paul D Meek
Petroleum-other oil and gas

American President Cos Ltd
1950 Franklin Street
Oakland, CA 94612
415–271–8000
CEO: Wilbur B Seaton
Surface transportation-other

American Savings & Loan Association
17801 Northwest 2nd Avenue
Miami, FL 33169
305–653–5353
CEO: Morris N Broad
Thrift institutions

American Security
730 Fifteenth Street NW
Washington, DC 20013
202–624–4000
CEO: Daniel J Callahan III
Banks-Northeast

American Standard
40 West 40th Street
New York, NY 10018
212–840–5100
CEO: William A Marquard
Surface transportation-railroads
Building materials-other materials

American Stores
PO Box 27447
Salt Lake City, UT 84127–0447
801–539–0112
CEO: Lennie S Skaggs
Specialty retailers-drug chains
Supermarkets-major chains

American Telephone & Telegraph
550 Madison Avenue
New York, NY 10022
212–605–5500
CEO: Charles L Brown
Telecommunications-carriers

AmeriTrust
900 Euclid Avenue
Cleveland, OH 44101
216–687–5000
CEO: Jerry V Jarrett
Banks-Midwest

Amfac
PO Box 7813
San Francisco, CA 94120
415–772–3400
CEO: Myron du Bain
Diversified companies-conglomerates

AMP
470 Friendship Road
Harrisburg, PA 17105
717–564–0100
CEO: Walter F Raab
Electronics-equipment

AMR
PO Box 619616
Dallas/Ft Worth Airport, TX 75261
817–355–1234
CEO: Robert L Crandall
Air transport-passenger

AmSouth Bancorporation
PO Box 11007
Birmingham, AL 35288
205–326–5120
CEO: John W Woods
Banks-Southeast

Anderson, Clayton
PO Box 2538
Houston, TX 77252
713–651–0641
CEO: W Fenton Guinee Jr
Food processors-branded foods
Food processors-commodities

Anheuser-Busch Cos
One Busch Place
St Louis, MO 63118
314–577–2315
CEO: August A Busch III
Beverages-alcoholic beverages

Apollo Computer
330 Billerica Road
Chelmsford, MA 01824
617–256–6600
CEO: Thomas A Vanderslice
Computers

Apple Computer
20525 Mariani Avenue
Cupertino, CA 95014
408–996–1010
CEO: John Sculley
Computers

Archer Daniels Midland
4666 Faries Parkway
Decatur, IL 62525
217–424–5200
CEO: Dwayne O Andreas
Food processors-commodities

Arizona Bancwest
101 North First Avenue
Phoenix, AZ 85003
602–262–2000
CEO: Donald B Tostenrud
Banks-West

Arizona Public Service
PO Box 21666
Phoenix, AZ 85036
602–271–7900
CEO: Keith L Turley
Electric utilities-Southwest

Arkla
PO Box 21734
Shreveport, LA 71151
318–226–2700
CEO: Thomas F McLarty
Natural gas utilities-distributors

Armco
703 Curtis Street
Middletown, OH 45043
513–425–6541
CEO: Robert E Boni
Metals-steel

Armstrong World Industries
PO Box 3001
Lancaster, PA 17604
717–397–0611
CEO: Joseph L Jones
Building materials-other materials

Asarco
180 Maiden Lane
New York, NY 10038
212–669–1000
CEO: Ralph L Hennebach
Metals-nonferrous metals

Ashland Oil
PO Box 391
Ashland, KY 41114
606–329–3333
CEO: John R Hall
Petroleum-other oil and gas

Associated Dry Goods
417 Fifth Avenue
New York, NY 10016
212–679–8700
CEO: Joseph H Johnson
General retailers-department stores

Atlantic Bancorp
200 West Forsyth Street
Jacksonville, FL 32202
904–632–6565
CEO: Billy J Walker
Banks-Southeast

Atlantic City Electric
PO Box 1264
Pleasantville, NJ 08232
609–645–4100
CEO: E Douglas Huggard
Electric utilities-Northeast

Atlantic Richfield
515 South Flower Street
Los Angeles, CA 90071
213–486–3511
CEO: William F Kieschnick
Petroleum-other oil and gas

Where to find The Forbes 500s

Automatic Data Processing
One ADP Boulevard
Roseland, NJ 07068
201-994-5000
CEO: Josh S Weston
Services-office services

Avnet
767 Fifth Avenue
New York, NY 10153
212-644-1050
CEO: Anthony R Hamilton
Electronics-semiconductors

Avon Products
9 West 57th Street
New York, NY 10019
212-546-6015
CEO: Hicks B Waldron
Consumer products-personal products

Baker International
PO Box 5500
Orange, CA 92667
714-634-2333
CEO: Earnest H Clark Jr
Oilfield drillers and services

Bally Manufacturing
8700 West Bryn Mawr
Chicago, IL 60631
312-399-1300
CEO: Robert E Mullane Jr
Leisure and recreation-entertainment
Leisure and recreation-hotels and gaming

Baltimore Gas & Electric
PO Box 1475
Baltimore, MD 21203
301-234-5000
CEO: Bernard C Trueschler
Electric utilities-Southeast

Banc One
100 East Broad Street
Columbus, OH 43215
614-463-5944
CEO: John B McCoy
Banks-Midwest

Banco Popular de Puerto Rico
GPO Box 2708
San Juan, PR 00936
809-751-9800
CEO: Rafael Carrión Jr
Banks-multinational banks

BancOklahoma
PO Box 2300
Tulsa, OK 74192
918-588-6000
CEO: Leonard J Eaton Jr
Banks-Southwest

Bancorp Hawaii
PO Box 2900
Honolulu, HI 96846
808-537-8111
CEO: Frank J Manaut
Banks-West

Bank of Boston
100 Federal Street
Boston, MA 02110
617-434-2200
CEO: William L Brown
Banks-multinational banks

Bank of New England
28 State Street
Boston, MA 02109
617-742-4000
CEO: Peter H McCormick
Banks-Northeast

Bank of New York
48 Wall Street
New York, NY 10015
212-530-1784
CEO: John Carter Bacot
Banks-Northeast

Bank of Virginia
PO Box 25970
Richmond, VA 23260
804-747-2000
CEO: Frederick Deane Jr
Banks-Southeast

Bank South
55 Marietta Street NW
Atlanta, GA 30303
404-529-4111
CEO: Robert P Guyton
Banks-Southeast

BankAmerica
Box 37000
San Francisco, CA 94104
415-622-3456
CEO: Samuel H Armacost
Banks-multinational banks

Bankers Trust New York
280 Park Avenue
New York, NY 10017
212-775-2500
CEO: Alfred Brittain III
Banks-multinational banks

Banks of Mid-America (formerly Liberty National)
100 Broadway
Oklahoma City, OK 73102
405-231-6000
CEO: John W McLean
Banks-Southwest

Barnett Banks of Florida
PO Box 40789
Jacksonville, FL 32231
904-791-7720
CEO: Charles E Rice
Banks-Southeast

Bausch & Lomb
PO Box 743
Rochester, NY 14603
716-338-6000
CEO: Daniel E Gill
Health care-drugs

Baxter Travenol Laboratories
One Baxter Parkway
Deerfield, IL 60015
312-948-2000
CEO: Vernon R Loucks Jr
Health care-products

BayBanks
175 Federal Street
Boston, MA 02110
617-482-1040
CEO: William M Crozier Jr
Banks-Northeast

Beatrice
2 North LaSalle Street
Chicago, IL 60602
312-782-3820
CEO: James L Dutt
Food processors-branded foods

Becton, Dickinson
Mack Centre Drive
Paramus, NJ 07652
201-967-3700
CEO: Wesley J Howe
Health care-drugs

Bell Atlantic
1600 Market Street
Philadelphia, PA 19103
215-963-6000
CEO: Thomas E Bolger
Telecommunications-carriers

BellSouth
675 West Peachtree Street NE
Atlanta, GA 30375
404-420-8600
CEO: John L Clendenin
Telecommunications-carriers

Beneficial Corp
1100 Carr Road
Wilmington, DE 19899
302-798-0800
CEO: Finn M W Caspersen
Financial services-lending, leasing and insurance
Specialty retailers-miscellaneous

Bergen Brunswig
1900 Avenue of the Stars
Los Angeles, CA 90067
213-879-4991
CEO: Emil P Martini Jr
Health care-drugs

Berkshire Hathaway
1440 Kiewit Plaza
Omaha, NE 68131
402-346-1400
CEO: Warren E Buffett
Insurance-property and casualty
Diversified companies-multicompanies

Best Products
PO Box 26303
Richmond, VA 23260
804-261-2000
CEO: Andrew M Lewis
Specialty retailers-catalog showrooms

Where to find The Forbes 500s

Bethlehem Steel
Martin Tower
Bethlehem, PA 18016
215-694-2424
CEO: Donald H Trautlein
Metals-steel

Beverly Enterprises
873 South Fair Oaks Avenue
Pasadena, CA 91105
818-577-6111
CEO: Robert Van Tuyle
Health care-hospital management

Big Three Industries
3535 West 12th Street
Houston, TX 77008
713-868-0333
CEO: Harry K Smith
Oilfield drillers and services
Specialized chemicals

Black & Decker
701 East Joppa Road
Towson, MD 21204
301-583-3900
CEO: Laurence J Farley
Consumer products-appliances

Boatmen's Bancshares
PO Box 236
St Louis, MO 63166
314-425-7500
CEO: Donald N Brandin
Banks-Midwest

Boeing
PO Box 3707
Seattle, WA 98124
206-655-2121
CEO: Thornton A Wilson
Aerospace and defense

Boise Cascade
One Jefferson Square
Boise, ID 83728
208-384-6161
CEO: John B Fery
Paper/Building materials-lumber/Packaging

Borden
277 Park Avenue
New York, NY 10172
212-573-4000
CEO: Eugene J Sullivan
Food processors-branded foods
Diversified chemicals

Borg-Warner
200 South Michigan Avenue
Chicago, IL 60604
312-322-8500
CEO: James F Beré
Diversified cos-multicompanies/Diversified chemicals/Automotive suppliers-parts makers

Boston Edison
800 Boylston Street
Boston, MA 02199
617-424-2000
CEO: Stephen J Sweeney
Electric utilities-Northeast

Bowater
One Parklands Drive
Darien, CT 06820-4012
203-656-7200
CEO: Anthony P Gammie
Paper

Bristol-Myers
345 Park Avenue
New York, NY 10154
212-546-4000
CEO: Richard L Gelb
Health care-drugs/Health care-products/Consumer products-personal products

Brown-Forman
PO Box 1080
Louisville, KY 40201
502-585-1100
CEO: W L Lyons Brown Jr
Beverages-alcoholic beverages

Brown Group
8400 Maryland Avenue
St Louis, MO 63105
314-854-4000
CEO: Bernard A Bridgewater Jr
Apparel-shoes
Specialty retailers-shoes

Browning-Ferris Industries
PO Box 3151
Houston, TX 77253
713-870-8100
CEO: Harry J Phillips Sr
Services-industrial services

Brunswick
One Brunswick Plaza
Skokie, IL 60077
312-470-4700
CEO: Jack F Reichert
Leisure and recreation-recreation

Brush Wellman
1200 Hanna Building
Cleveland, OH 44115
216-443-1000
CEO: Henry G Piper
Metals-nonferrous metals

Burlington Industries
PO Box 21207
Greensboro, NC 27420
919-379-2000
CEO: William A Klopman
Textiles
Consumer products-home furnishings

Burlington Northern
999 Third Avenue
Seattle, WA 98104-4097
206-467-3838
CEO: Richard M Bressler
Surface transportation-railroads

Burroughs
Burroughs Place
Detroit, MI 48232
313-972-7000
CEO: W Michael Blumenthal
Computers

Cabot
125 High Street
Boston, MA 02110
617-423-6000
CEO: Robert A Charpie
Petroleum-other oil and gas
Specialized chemicals

CalFed
5670 Wilshire Bouvelard
Los Angeles, CA 90036
213-932-4200
CEO: George Rutland
Thrift institutions

California First Bank
350 California Street
San Francisco, CA 94104
415-445-0200
CEO: Yasushi Sumiya
Banks-West

Campbell Soup
Campbell Place
Camden, NJ 08101-0391
609-342-4800
CEO: R Gordon McGovern
Food processors-branded foods

Capital Cities Communications
24 East 51st Street
New York, NY 10022
212-421-9595
CEO: Thomas S Murphy
Publishing
Broadcasting

Capital Holding
PO Box 32830
Louisville, KY 40232
502-560-2000
CEO: Thomas C Simons
Insurance-life and health

Carolina Power & Light
PO Box 1551
Raleigh, NC 27602
919-836-6111
CEO: Sherwood H Smith Jr
Electric utilities-Southeast

Carter Hawley Hale Stores
550 South Flower Street
Los Angeles, CA 90071
213-620-0150
CEO: Philip M Hawley
General retailers-department stores

Carteret Savings & Loan Association
200 South Street
Morristown, NJ 07960
201-326-1000
CEO: Robert B O'Brien Jr
Thrift institutions

Castle & Cooke
PO Box 7330
San Francisco, CA 94120-7330
415-986-3000
CEO: Robert D Cook
Food processors-branded foods

Where to find The Forbes 500s

Caterpillar Tractor
100 Northeast Adams Street
Peoria, IL 61629
309–675–1000
CEO: George A Schaefer
Heavy equipment-building and mining

CBS
51 West 52nd Street
New York, NY 10019
212–975–4321
CEO: Thomas H Wyman
Broadcasting
Leisure and recreation-entertainment

CBT
One Constitution Plaza
Hartford, CT 06115
203–244–5000
CEO: Walter J Connolly Jr
Banks-Northeast

Celanese
1211 Avenue of the Americas
New York, NY 10036
212–719–8000
CEO: John D Macomber
Diversified chemicals
Textiles

Centel
5725 North East River Road
Chicago, IL 60631
312–399–2500
CEO: Robert P Reuss
Telecommunications-carriers

Centerre Bancorporation
One Centerre Plaza
St Louis, MO 63101
314–554–6000
CEO: Clarence C Barksdale
Banks-Midwest

Central & South West
2121 San Jacinto Street
Dallas, TX 75201
214–754–1000
CEO: Durwood Chalker
Electric utilities-Southwest

Central Bancorporation
201 East 5th Street
Cincinnati, OH 45202
513–651–8767
CEO: Oliver W Birckhead
Banks-Midwest

Central Bancshares of the South
701 South 20th Street
Birmingham, AL 35233
205–933–3000
CEO: Harry B Brock Jr
Banks-Southeast

Central Fidelity Banks
PO Box 27602
Richmond, VA 23261
804–782–4000
CEO: Carroll L Saine
Banks-Southeast

Central Illinois Public Service
607 East Adams Street
Springfield, IL 62701
217–523–3600
CEO: Donald G Raymer
Electric utilities-Midwest

Central Soya
PO Box 1400
Fort Wayne, IN 46801–1400
219–425–5100
CEO: Douglas P Eckrich
Food processors-commodities

Centran
PO Box 6179
Cleveland, OH 44101
216–344–3000
CEO: Wilson M Brown Jr
Banks-Midwest

Champion International
One Champion Plaza
Stamford, CT 06921
203–358–7000
CEO: Andrew C Sigler
Paper
Building materials-lumber

Charter
PO Box 2017
Jacksonville, FL 32231
904–358–4111
CEO: Alexander P Zechella
Petroleum-other oil and gas
Insurance-life and health

Chase Manhattan
1 Chase Manhattan Plaza
New York, NY 10081
212–552–2222
CEO: Willard C Butcher
Banks-multinational banks

Chemical New York
277 Park Avenue
New York, NY 10172
212–310–6161
CEO: Walter V Shipley
Banks-multinational banks

Chesebrough-Pond's
33 Benedict Place
Greenwich, CT 06830
203–661–2000
CEO: Ralph E Ward
Consumer products-personal products
Food processors-branded foods

Chevron (formerly Standard Oil California)
225 Bush Street
San Francisco, CA 94705
415–894–7700
CEO: George M Keller
Petroleum-international oils

Chrysler
PO Box 1919
Detroit, MI 48288
313–956–5252
CEO: Lee Iacocca
Automobiles and trucks

Chubb
PO Box 1615
Warren, NJ 07061–1615
201–580–2000
CEO: Henry U Harder
Insurance-property and casualty

Cigna
One Logan Square
Philadelphia, PA 19103
215–557–5000
CEO: Robert D Kilpatrick
Insurance-diversified

Cincinnati Gas & Electric
PO Box 960
Cincinnati, OH 45201
513–381–2000
CEO: William H Dickhoner
Electric utilities-Midwest

Circle K
PO Box 20230
Phoenix, AZ 85040
602–437–0600
CEO: Karl Eller
Supermarkets-convenience stores

Citadel Holding
600 North Brand Boulevard
Glendale, CA 91203
818–956–7100
CEO: Spencer Scott
Thrift institutions

Citicorp
399 Park Avenue
New York, NY 10043
212–559–1000
CEO: John S Reed
Banks-multinational banks

Citizens & Southern Georgia
PO Box 4899
Atlanta, GA 30302–4899
404–581–2121
CEO: Bennett A Brown
Banks-Southeast

Citizens & Southern SC
1801 Main Street
Columbia, SC 29222
803–765–8011
CEO: Hugh M Chapman
Banks-Southeast

Citizens Fidelity
Citizens Plaza
Louisville, KY 40296
502–581–2100
CEO: J David Grissom
Banks-Southeast

City National
400 North Roxbury Drive
Beverly Hills, CA 90210
213–550–5400
CEO: Bram Goldsmith
Banks-West

Where to find The Forbes 500s

CityFed Financial
(formerly City Federal S&L)
779 Eves Drive
Somerville, NJ 08876
201–874–7280
CEO: Gilbert G Roessner
Thrift institutions

Cleveland Electric Illuminating
PO Box 5000
Cleveland, OH 44101
216–622–9800
CEO: Robert M Ginn
Electric utilities-Midwest

Clorox
1221 Broadway
Oakland, CA 94612
415–271–7000
CEO: Calvin S Hatch
Consumer products-household products

Coastal Corp
9 Greenway Plaza
Houston, TX 77046
713–877–1400
CEO: Oscar S Wyatt Jr
Petroleum-other oil and gas

Coca-Cola
PO Drawer 1734
Atlanta, GA 30301
404–676–2121
CEO: Roberto C Goizueta
Beverages-soft drinks

Colgate-Palmolive
300 Park Avenue
New York, NY 10022
212–310–2000
CEO: Reuben Mark
Consumer products-personal products

Collins & Aikman
210 Madison Avenue
New York, NY 10016
212–578–1200
CEO: Donald F McCullough
Textiles

Colonial Penn Group
5 Penn Center Plaza
Philadelphia, PA 19181
215–988–8000
CEO: John J MacWilliams
Insurance-diversified

Colorado National Bankshares
PO Box 5168
Denver, CO 80217
303–629–1968
CEO: Bruce M Rockwell
Banks-West

Colt Industries
430 Park Avenue
New York, NY 10022
212–940–0400
CEO: David I Margolis
Industrial machinery
Automotive suppliers-parts makers

Columbia Gas System
200 Montchanin Road
Wilmington, DE 19807
302–429–5000
CEO: John H Croom
Natural gas utilities–integrated

Columbia Savings & Loan Association
8840 Wilshire Boulevard
Beverly Hills, CA 90211
213–657–6134
CEO: Thomas Spiegel
Thrift institutions

Combined International
707 Skokie Boulevard
Northbrook, IL 60062
312–564–8000
CEO: Patrick G Ryan
Insurance-diversified

Combustion Engineering
900 Long Ridge Road
Stamford, CT 06902
203–329–8771
CEO: Charles E Hugel
Industrial machinery

Comerica
211 West Fort Street
Detroit, MI 48275
313–222–3300
CEO: Donald R Mandich
Banks-Midwest

Commerce Bancshares
PO Box 13686
Kansas City, MO 64199
816–234–2000
CEO: James M Kemper Jr
Banks-Midwest

Commerce Union
One Commerce Place
Nashville, TN 37219
615–749–3333
CEO: Dennis C Bottorff
Banks-Southeast

Commonwealth Edison
PO Box 767
Chicago, IL 60690
312–294–4321
CEO: James J O'Connor
Electric utilities-Midwest

Community Psychiatric Centers
517 Washington Street
San Francisco, CA 94119
415–397–6151
CEO: James W Conte
Health care-hospital management

Computervision
15 Crosby Drive
Bedford, MA 01730
617–275–1800
CEO: James R Berrett
Computers

ConAgra
One Central Park Plaza
Omaha, NE 68102
402–978–4000
CEO: Charles M Harper
Food processors-commodities
Food processors-branded foods

Consolidated Edison
4 Irving Place
New York, NY 10003
212–460–4600
CEO: Arthur Hauspurg
Electric utilities-Northeast

Consolidated Freightways
PO Box 10340
Palo Alto, CA 94303
415–494–2900
CEO: Raymond F O'Brien
Surface transportation-truckers

Consolidated Natural Gas
Four Gateway Center
Pittsburgh, PA 15222
412–227–1000
CEO: George J Tankersley
Natural gas utilities–integrated

Consolidated Papers
231 First Avenue North
Wisconsin Rapids, WI 54494
715–422–3111
CEO: George W Mead
Paper

Consumers Power
212 West Michigan Avenue
Jackson, MI 49201
517–788–0550
CEO: John D Selby
Electric utilities-Midwest

Continental Bancorp
1500 Market Street
Philadelphia, PA 19102
215–564–7000
CEO: Roy T Peraino
Banks-Northeast

Continental Corp
180 Maiden Lane
New York, NY 10038
212–440–3980
CEO: John P Mascotte
Insurance-property and casualty

Continental Illinois
231 South Lasalle Street
Chicago, IL 60697
312–828–2345
CEO: John E Swearingen
Banks-multinational banks

Continental Telecom
245 Perimeter Center Parkway
Atlanta, GA 30346
404–391–8000
CEO: John N Lemasters
Telecommunications-carriers

Where to find The Forbes 500s

Control Data
PO Box O
Minneapolis, MN 55440
612–853–8100

CEO: William C Norris
Computers
Financial services-lending, leasing and insurance

Cooper Industries
PO Box 4446
Houston, TX 77210
713–739–5400

CEO: Robert Cizik
Industrial machinery
Electrical equipment

Cooper Laboratories
3145 Porter Drive
Palo Alto, CA 94304
415–856–5000

CEO: Parker G Montgomery
Health care-products

CoreStates Financial
Broad And Chestnut Street
Philadelphia, PA 19101
215–629–3100

CEO: G Morris Dorrance Jr
Banks-Northeast

Corning Glass Works
Houghton Park
Corning, NY 14831
607–974–9000

CEO: James R Houghton
Health care-products
Consumer products-home furnishings

Cox Communications
1400 Lake Hearn Drive NE
Atlanta, GA 30319
404–843–5000

CEO: William A Schwartz
Broadcasting

CPC International
PO Box 8000
Englewood Cliffs, NJ 07632
201–894–4000

CEO: James R Eiszner
Food processors-branded foods

Cray Research
608 2nd Avenue South
Minneapolis, MN 55402
612–333–5889

CEO: John A Rollwagen
Computers

Crocker National
One Montgomery Street
San Francisco, CA 94104
415–983–2000

CEO: Frank V Cahouet
Banks-West

Crown Central Petroleum
PO Box 1168
Baltimore, MD 21203
301–539–7400

CEO: Henry A Rosenberg Jr
Petroleum-other oil and gas

Crown Cork & Seal
9300 Ashton Road
Philadelphia, PA 19136
215–698–5100

CEO: John F Connelly
Packaging

Crown Zellerbach
One Bush Street
San Francisco, CA 94104
415–951–5000

CEO: William T Creson
Paper

CSX
PO Box C–32222
Richmond, VA 23261
804–782–1400

CEO: Hays T Watkins
Surface transportation-railroads

Cullen/Frost Bankers
PO Box 1600
San Antonio, TX 78296
512–220–4011

CEO: Thomas C Frost
Banks-Southwest

Cullinet Software
400 Blue Hill Drive
Westwood, MA 02090–2198
617–329–7700

CEO: John J Cullinane
Services-office services

Cullum Companies
14303 Inwood Road
Dallas, TX 75234
214–661–9700

CEO: Jack W Evans
Supermarkets-regional chains

Cummins Engine
500 Jackson Street
Columbus, IN 47202–3005
812–377–5000

CEO: Henry B Schacht
Automotive suppliers-parts makers

Cyclops
650 Washington Road
Pittsburgh, PA 15228
412–343–4000

CEO: William H Knoell
Metals-steel

Dallas Federal Financial
(formerly Dallas Federal S&L)
8333 Douglas Avenue
Dallas, TX 75225
214–750–5000

CEO: Lloyd S Bowles Sr
Thrift institutions

Dana
PO Box 1000
Toledo, OH 43697
419–535–4500

CEO: Gerald B Mitchell
Automotive suppliers-parts makers

Dart & Kraft
2211 Sanders Road
Northbrook, IL 60062
312–498–8000

CEO: John M Richman
Food processors-branded foods

Data General
4400 Computer Drive
Westboro, MA 01580
617–366–8911

CEO: Edson D de Castro
Computers

Dauphin Deposit
213 Market Street
Harrisburg, PA 17105
717–255–2121

CEO: J D Wickert
Banks-Northeast

Dayton-Hudson
777 Nicollet Mall
Minneapolis, MN 55402
612–370–6948

CEO: Kenneth A Macke
General retailers-discount and variety

Dayton Power & Light
Courthouse Plaza Southwest
Dayton, OH 45401
513–224–6000

CEO: Peter H Forster
Electric utilities-Midwest

Deere
John Deere Road
Moline, IL 61265
309–752–8000

CEO: Robert A Hanson
Heavy equipment-agricultural

Delmarva Power & Light
PO Box 231
Wilmington, DE 19899
302–429–3011

CEO: Nevius M Curtis
Electric utilities-Northeast

Delta Air Lines
Atlanta Airport
Atlanta, GA 30320
404–346–6011

CEO: David C Garrett Jr
Air transport-passenger

Deluxe Check Printers
PO Box 64399
St Paul, MN 55164
612–483–7111

CEO: Eugene R Olson
Publishing

Deposit Guaranty
PO Box 1200
Jackson, MS 39205
601–354–8564

CEO: Emerson B Robinson Jr
Banks-Southeast

Where to find The Forbes 500s

Detroit Edison
2000 Second Avenue
Detroit, MI 48226
313–237–8000
CEO: Walter J McCarthy Jr
Electric utilities-Midwest

Diamond Shamrock
717 North Harwood Street
Dallas, TX 75201
214–922–2808
CEO: William H Bricker
Petroleum-other oil and gas
Diversified chemicals

Digital Equipment
146 Main Street
Maynard, MA 01754
617–493–5111
CEO: Kenneth H Olsen
Computers

Digital Switch
707 East Arapaho Road
Richardson, TX 75083–0911
214–238–4000
CEO: James L Donald
Telecommunications-manufacturers

Dillard Dept Stores
PO Box 486
Little Rock, AR 72201
501–376–5200
CEO: William T Dillard Sr
General retailers-department stores

Walt Disney Productions
500 South Buena Vista Street
Burbank, CA 91521
818–840–1000
CEO: Michael D Eisner
Leisure and recreation-entertainment

Dominion Bankshares
PO Box 13327
Roanoke, VA 24040
703–563–7000
CEO: Warner N Dalhouse
Banks-Southeast

Dominion Resources
PO Box 26532
Richmond, VA 23261
804–771–3000
CEO: William W Berry
Electric utilities-Southeast

RR Donnelley & Sons
2223 Martin Luther King Drive
Chicago, IL 60616
312–326–8000
CEO: John B Schwemm
Publishing

Dover
277 Park Avenue
New York, NY 10017
212–826–7160
CEO: Gary L Roubos
Building materials-equipment
Industrial machinery

Dow Chemical
2030 Willard H Dow Center
Midland, MI 48674
517–636–1000
CEO: Paul F Oreffice
Diversified chemicals

Dow Jones
22 Cortlandt Street
New York, NY 10007
212–285–5000
CEO: Warren H Phillips
Publishing

Downey Savings & Loan Association
PO Box 6000
Costa Mesa, CA 92626
714–549–8811
CEO: Gerald H McQuarrie
Thrift institutions

Dresser Industries
PO Box 718
Dallas, TX 75221
214–740–6000
CEO: John J Murphy
Oilfield drillers and services

EI Du Pont de Nemours
1007 Market Street
Wilmington, DE 19898
302–774–1000
CEO: Edward G Jefferson
Petroleum-international oils
Diversified chemicals

Duke Power
PO Box 33189
Charlotte, NC 28242
704–373–4011
CEO: William S Lee
Electric utilities-Southeast

Dun & Bradstreet
299 Park Avenue
New York, NY 10171
212–593–6800
CEO: Charles W Moritz
Publishing

Duquesne Light
301 Grant Street
Pittsburgh, PA 15279
412–393–6000
CEO: John M Arthur
Electric utilities-Midwest

E-Systems
PO Box 660248
Dallas, TX 75266
214–661–1000
CEO: John W Dixon
Aerospace and defense

Eastern Air Lines
Miami International Airport
Miami, FL 33148
305–873–2211
CEO: Frank Borman
Air transport-passenger

Eastern Gas & Fuel Associates
One Beacon Street
Boston, MA 02108
617–742–9200
CEO: William J Pruyn
Natural gas utilities-distributors
Coal

Eastman Kodak
343 State Street
Rochester, NY 14650
716–724–4000
CEO: Colby H Chandler
Leisure and recreation-photography

Eaton
Eaton Center
Cleveland, OH 44114
216–523–5000
CEO: E Mandell de Windt
Automotive suppliers-parts makers
Electronics-equipment

Jack Eckerd
8333 Bryan Dairy Road
Largo, FL 33543
813–397–7461
CEO: Stewart Turley
Specialty retailers-drug chains

EG&G
45 William Street
Wellesley, MA 02181
617–237–5100
CEO: Dean W Freed
Aerospace and defense
Electronics-equipment

El Paso Electric
PO Box 982
El Paso, TX 79960
915–543–5711
CEO: Evern R Wall
Electric utilities-Southwest

Emerson Electric
8000 West Florissant Avenue
St Louis, MO 63136
314–553–2000
CEO: Charles F Knight
Electrical equipment

Emhart
PO Box 2730
Hartford, CT 06101
203–678–3000
CEO: T Mitchell Ford
Industrial machinery

Engelhard
Menlo Park CN–40
Edison, NJ 08818
201–632–6000
CEO: Orin R Smith
Specialized chemicals

Enserch
300 South St Paul Street
Dallas, TX 75201
214–651–8700
CEO: William C McCord
Builders-commercial
Natural gas utilities-producers and pipelines

Where to find The Forbes 500s

Equimark
2 Oliver Plaza
Pittsburgh, PA 15222
412-288-5000
CEO: James D Lowry
Banks-Northeast

Equitable Bancorporation
100 South Charles Street
Baltimore, MD 21201
301-547-4000
CEO: H Grant Hathaway
Banks-Northeast

Equitable Resources (formerly Equitable Gas)
420 Boulevard Of Allies
Pittsburgh, PA 15219
412-471-7600
CEO: Donald I Moritz
Natural gas utilities–integrated

Ethyl
330 South Fourth Street
Richmond, VA 23219
804-788-5000
CEO: Floyd D Gottwald Jr
Specialized chemicals

Evans Products
6917 Collins Avenue
Miami Beach, FL 33141
305-866-7771
CEO: Victor Posner
Specialty retailers-miscellaneous

Exxon
1251 Avenue of the Americas
New York, NY 10020-1198
212-333-1000
CEO: Clifton C Garvin Jr
Petroleum-international oils

Farm & Home Savings Association
PO Box 1893
Nevada, MO 64772
417-667-3333
CEO: C A Duncan Jr
Thrift institutions

Farm House Foods
111 East Wisconsin Avenue
Milwaukee, WI 53202
414-271-5050
CEO: Donald E Runge
Services-food distributors

Farmers Group
4680 Wilshire Boulevard
Los Angeles, CA 90010
213-932-3200
CEO: Richard G Lindsley
Insurance-diversified

Federal Co
PO Box 17236
Memphis, TN 38187-0236
901-761-3610
CEO: R Lee Taylor II
Food processors-commodities

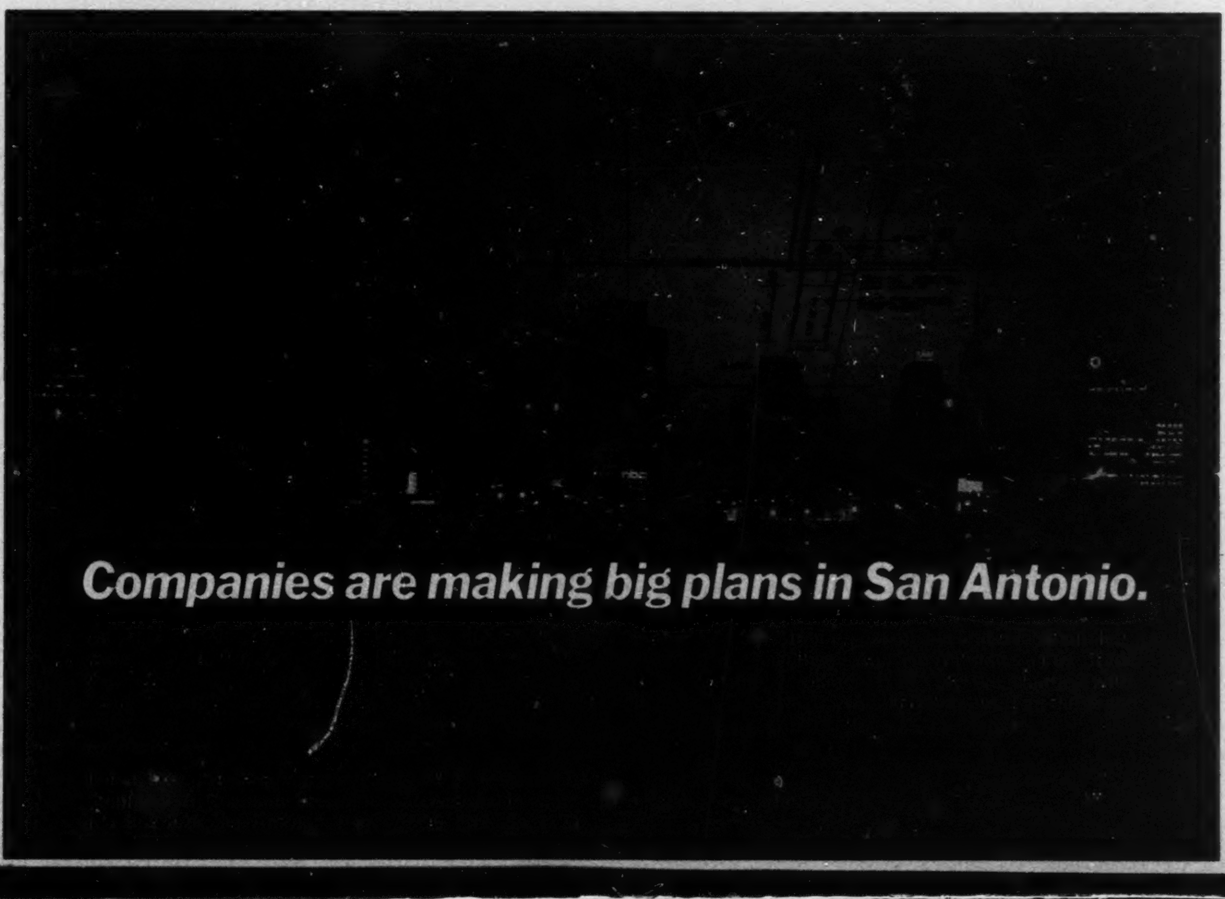
Federal Express
PO Box 727
Memphis, TN 38194
901-369-3600
CEO: Frederick W Smith
Air transport-freight

Federal National Mortgage Association
3900 Wisconsin Avenue
Washington, DC 20016
202-537-7000
CEO: David O Maxwell
Financial services-lending, leasing and insurance

Federated Department Stores
7 West Seventh Street
Cincinnati, OH 45202
513-579-7000
CEO: Howard Goldfeder
General retailers-department stores

Fidelcor
Broad & Walnut Streets
Philadelphia, PA 19109
215-985-6000
CEO: Harold W Pote
Banks-Northeast

Fifth Third Bancorp
38 Fountain Square Plaza
Cincinnati, OH 45263
513-579-5300
CEO: Clement L Buenger
Banks-Midwest



Where to find The Forbes 500s

Financial Corp of America
PO Box 19689
Irvine, CA 92713–9689
714–553–6900
CEO: William J Popejoy
Thrift institutions

Financial Corp of Santa Barbara
PO Box 1109
Santa Barbara, CA 93102
805–963–2025
CEO: Philip R Brinkerhoff
Thrift institutions

Firestone Tire & Rubber
1200 Firestone Parkway
Akron, OH 44317
216–379–7000
CEO: John J Nevin
Automotive suppliers-tire and rubber

First Alabama Bancshares
PO Box 1448
Montgomery, AL 36102
205–832–8011
CEO: Willard L Hurley
Banks-Southeast

First American
First American Center
Nashville, TN 37237
615–748–2100
CEO: Kenneth L Roberts
Banks-Southeast

First Atlanta
PO Box 4148
Atlanta, GA 30302
404–588–5000
CEO: Thomas R Williams
Banks-Southeast

First Bank System
PO Box 522
Minneapolis, MN 55480
612–370–5100
CEO: George H Dixon
Banks-Midwest

First Boston
Park Avenue Plaza
New York, NY 10055
212–909–2000
CEO: Peter T Buchanan
Financial services-trading

First Chicago
1 First National Plaza
Chicago, IL 60670
312–732–4000
CEO: Barry F Sullivan
Banks-multinational banks

First Citizens
PO Box 151
Raleigh, NC 27602
919–755–7000
CEO: Lewis R Holding
Banks-Southeast

First City Bancorporation of Texas
PO Box 2387
Houston, TX 77252
713–658–6011
CEO: James A Elkins Jr
Banks-Southwest

First Columbia Financial
PO Box 17127
Englewood, CO 80217–0127
303–773–3444
CEO: Bob R Baker
Thrift institutions

First Empire State
One M&T Plaza
Buffalo, NY 14240
716–842–5445
CEO: Robert G Wilmers
Banks-Northeast

First Executive
11444 West Olympic Boulevard
Beverly Hills, CA 90212
213–312–1000
CEO: Fred Carr
Insurance-life and health

First Federal of Michigan
1001 Woodward Avenue
Detroit, MI 48226
313–965–1400
CEO: James A Aliber
Thrift institutions

First Federal Savings & Loan Association
3003 North Central Avenue
Phoenix, AZ 85012
602–248–4221
CEO: Gene E Rice
Thrift institutions

First Florida Banks
111 Madison Street
Tampa, FL 33602
813–224–1455
CEO: A Bronson Thayer
Banks-Southeast

First Hawaiian
165 South King Street
Honolulu, HI 96813
808–525–7000
CEO: John D Bellinger
Banks-West

First Interstate Bancorp
PO Box 54068
Los Angeles, CA 90054
213–614–3001
CEO: Joseph J Pinola
Banks-West

First Kentucky National
PO Box 36000
Louisville, KY 40233
502–581–4377
CEO: A Stevens Miles
Banks-Southeast

First Maryland Bancorp
25 South Charles Street
Baltimore, MD 21201
301–244–4000
CEO: Charles W Cole Jr
Banks-Northeast

First National Cincinnati
PO Box 1038
Cincinnati, OH 45201
513–632–4000
CEO: Oliver W Waddell
Banks-Midwest

First National State Bancorp
550 Broad Street
Newark, NJ 07192
201–565–3200
CEO: Robert R Ferguson Jr
Banks-Northeast

First National Supermarkets
17000 Rockside Road
Maple Heights, OH 44137
216–587–7100
CEO: Richard J Bogomolny
Supermarkets-regional chains

First of America Bank
108 East Michigan Avenue
Kalamazoo, MI 49007
616–383–9000
CEO: James H Duncan
Banks-Midwest

First Oklahoma Bancorporation
PO Box 25189
Oklahoma City, OK 73125
405–272–4000
CEO: Charles A Vose Jr
Banks-Southwest

First Pennsylvania
PO Box 13560
Philadelphia, PA 19101
215–786–5000
CEO: George A Butler
Banks-Northeast

First Security
PO Box 30006
Salt Lake City, UT 84130
801–350–5000
CEO: Spencer F Eccles
Banks-West

First Tennessee National
165 Madison Avenue
Memphis, TN 38103
901–523–4444
CEO: Ronald Terry
Banks-Southeast

First Union
First Union Plaza
Charlotte, NC 28288
704–374–6565
CEO: Edward E Crutchfield Jr
Banks-Southeast

Where to find The Forbes 500s

First Virginia Banks
6400 Arlington Boulevard
Falls Church, VA 22046
703-241-4000
CEO: Robert H Zalokar
Banks-Southeast

First Wisconsin
PO Box 532
Milwaukee, WI 53201
414-765-4321
CEO: Hal C Kuehl
Banks-Midwest

Fleet Financial Group
50 Kennedy Plaza
Providence, RI 02903
401-278-5800
CEO: J Terrence Murray
Banks-Northeast

Fleetwood Enterprises
PO Box 7638
Riverside, CA 92523
714-351-3500
CEO: John C Crean
Leisure and recreation-recreational vehicles
Builders-residential

Fleming Cos
PO Box 26647
Oklahoma City, OK 73126
405-840-7200
CEO: Richard D Harrison
Services-food distributors

Florida Federal Savings & Loan Association
PO Box 1509
St Petersburg, FL 33731
813-893-1131
CEO: Raleigh W Greene Jr
Thrift institutions

Florida National Banks of Florida
PO Box 689
Jacksonville, FL 32201
904-359-5111
CEO: John D Uible
Banks-Southeast

Florida Progress
270 First Avenue South
St Petersburg, FL 33701
813-895-1700
CEO: Andrew H Hines Jr
Electric utilities-Southeast

Fluor
3333 Michelson Drive
Irvine, CA 92730
714-975-2000
CEO: David S Tappan Jr
Builders-commercial

FMC
200 East Randolph Drive
Chicago, IL 60601
312-861-6000
CEO: Robert H Malott
Diversified cos-multicompanies/Diversified chemicals/Aerospace and defense

Food Lion
PO Box 1330
Salisbury, NC 28144
704-633-8250
CEO: Ralph W Ketner
Supermarkets-regional chains

Ford Motor
PO Box 1899
Dearborn, MI 48121
313-322-3000
CEO: Donald E Peterson
Automobiles and trucks

Fort Howard Paper
PO Box 130
Green Bay, WI 54305
414-435-8821
CEO: Paul J Schierl
Paper
Packaging

Foster Wheeler
110 South Orange Avenue
Livingston, NJ 07039
201-533-1100
CEO: Louis E Azzato
Industrial machinery
Builders-commercial

FPL Group (formerly Florida Power & Light)
PO Box 529100
Miami, FL 33152
305-552-3552
CEO: John J Hudiburg
Electric utilities-Southeast

Freeport-McMoRan
200 Park Avenue
New York, NY 10166
212-578-9200
CEO: James R Moffet
Specialized chemicals
Petroleum-other oil and gas

Fruehauf
10900 Harper Avenue
Detroit, MI 48213
313-267-1000
CEO: Robert D Rowan
Automobiles and trucks

Gannett
Lincoln First Tower
Rochester, NY 14604
716-546-8600
CEO: Allen H Neuharth
Publishing

GATX
120 South Riverside Plaza
Chicago, IL 60606
312-621-6200
CEO: James J Glasser
Surface transportation-railroads

Geico
Geico Plaza
Washington, DC 20076
301-986-3000
CEO: John J Byrne
Insurance-property and casualty

Gelco
One Gelco Drive
Eden Prairie, MN 55344
612-828-1000
CEO: N Bud Grossman
Services-industrial services

GenCorp (formerly General Tire & Rubber)
175 Ghent Road
Akron, OH 44313
216-798-3000
CEO: Michael G O'Neil
Automotive suppliers-tire and rubber
Aerospace and defense

General Cinema
27 Boylston Street
Chestnut Hill, MA 02167
617-232-8200
CEO: Richard A Smith
Beverages-soft drinks
Leisure and recreation-entertainment

General Dynamics
Pierre Laclede Center
St Louis, MO 63105
314-889-8200
CEO: David S Lewis
Aerospace and defense

General Electric
3135 Easton Turnpike
Fairfield, CT 06431
203-373-2211
CEO: John F Welch Jr
Diversified companies-multicompanies/Electrical equipment/Consumer products-appliances

General Foods
250 North Street
White Plains, NY 10625
914-335-2500
CEO: James L Ferguson
Food processors-branded foods

General Host
PO Box 10045
Stamford, CT 06902
203-357-9900
CEO: Harris J Ashton
Supermarkets-convenience stores

General Mills
PO Box 1113
Minneapolis, MN 55440
612-540-2311
CEO: H Brewster Atwater Jr
Food processors-branded foods

General Motors
3044 West Grand Boulevard
Detroit, MI 48202
313-556-5000
CEO: Roger B Smith
Automobiles and trucks

General Public Utilities
100 Interpace Parkway
Parsippany, NJ 07054
201-263-6500
CEO: William G Kuhns
Electric utilities-Northeast

Where to find The Forbes 500s

General Re
PO Box 10351
Stamford, CT 06904–2351
203–328–5000
CEO: Frank W Munson
Insurance-diversified

General Signal
High Ridge Park–Box 10010
Stamford, CT 06904
203–357–8800
CEO: David T Kimball
Electronics-equipment/Electrical equipment/
Industrial machinery

Genuine Parts
2999 Circle 75 Parkway
Atlanta, GA 30339
404–953–1700
CEO: Wilton Looney
Automotive suppliers-parts makers

Georgia Federal Bank
20 Marietta Street NW
Atlanta, GA 30303
404–588–2600
CEO: John B Zellars
Thrift institutions

Georgia-Pacific
133 Peachtree Street NE
Atlanta, GA 30303
404–521–4000
CEO: T Marshall Hahn Jr
Paper
Building materials-lumber

Giant Food
PO Box 1804
Washington, DC 20013
301–341–4100
CEO: Israel Cohen
Supermarkets-regional chains

Gibraltar Financial Corp of California
9111 Wilshire Boulevard
Beverly Hills, CA 90213
213–278–8720
CEO: Herbert J Young
Thrift institutions

Gillette
Prudential Tower Building
Boston, MA 02199
617–421–7449
CEO: Colman M Mockler Jr
Consumer products-personal products

Glendale Federal Savings & Loan
PO Box 1709
Glendale, CA 91209
818–500–2000
CEO: Raymond D Edwards
Thrift institutions

Golden West Financial
1970 Broadway
Oakland, CA 94612
415–645–9200
CEO: Herbert M Sandler/Marion O Sandler
Thrift institutions

BF Goodrich
500 South Main Street
Akron, OH 44318
216–374–2000
CEO: John D Ong
Automotive suppliers-tire and rubber
Specialized chemicals

Goodyear Tire & Rubber
1144 East Market Street
Akron, OH 44316
216–796–2121
CEO: Robert E Mercer
Automotive suppliers-tire and rubber

Gould
10 Gould Center
Rolling Meadows, IL 60008
312–640–4000
CEO: William T Ylvisaker
Electronics-equipment
Aerospace and defense

WR Grace
1114 Avenue of the Americas
New York, NY 10036
212–819–5500
CEO: J Peter Grace
Diversified cos-conglomerates/Specialized chemicals/Specialty retailers-miscellaneous

WW Grainger
5500 West Howard Street
Skokie, IL 60077
312–982–9000
CEO: David W Grainger
Electrical equipment

Great American First Savings
(formerly Great American Federal)
600 B Street
San Diego, CA 92183
619–231–1885
CEO: Gordon C Luce
Thrift institutions

Great Atlantic & Pacific Tea
2 Paragon Drive
Montvale, NJ 07645
201–573–9700
CEO: James Wood
Supermarkets-major chains

Great Lakes Federal Savings & Loan
PO Box 8600
Ann Arbor, MI 48107
313–769–8300
CEO: Roy E Weber
Thrift institutions

Great Northern Nekoosa
PO Box 9309
Stamford, CT 06904
203–359–4000
CEO: William R Laidig
Paper

Great Western Financial
8484 Wilshire Boulevard
Beverly Hills, CA 90211
213–852–3411
CEO: James F Montgomery
Thrift institutions

Greyhound
Greyhound Tower
Phoenix, AZ 85077
602–248–4000
CEO:: John W Teets
Surface transportation-other

Grumman
1111 Stewart Avenue
Bethpage, NY 11714
516–575–0574
CEO: John C Bierwirth
Aerospace and defense

GTE
One Stamford Forum
Stamford, CT 06904
203–965–2000
CEO: Theodore F Brophy
Telecommunications-carriers

Guarantee Financial Corp of California
1177 Fulton Mall
Fresno, CA 93721
209–268–8111
CEO: Lewis S Eaton
Thrift institutions

Gulf & Western Industries
1 Gulf & Western Plaza
New York, NY 10023
212–333–7000
CEO: Martin S Davis
Conglomerate/Leisure & recreation-entertainment/
Financial services-lending, leasing and insurance

Gulf States Utilities
PO Box 2951
Beaumont, TX 77704
409–838–6631
CEO: Dr Paul W Murrill
Electric utilities-Southwest

Halliburton
2600 Southland Center
Dallas, TX 75201
214–748–7261
CEO: Thomas H Cruikshank
Oilfield drillers and services
Industrial machinery

Hammermill Paper
PO Box 10050
Erie, PA 16533
814–456–8811
CEO: Albert F Duval
Paper

Harris Corp
1025 West Nasa Boulevard
Melbourne, FL 32919
305–727–9100
CEO: Joseph A Boyd
Computers
Aerospace and defense

Hartford National
777 Main Street
Hartford, CT 06115
203–728–2000
CEO: Robert L Newell
Banks-Northeast

Where to find The Forbes 500s

HJ Heinz
PO Box 57
Pittsburgh, PA 15230
412–237–5757
CEO: Anthony J F O'Reilly
Food processors-branded foods

Hercules
Hercules Plaza
Wilmington, DE 19894
302–594–5000
CEO: Alexander F Giacco
Diversified chemicals
Aerospace and defense

Hershey Foods
100 Mansion Road East
Hershey, PA 17033–0810
717–534–4000
CEO: Richard A Zimmerman
Food processors-branded foods

Hewlett-Packard
3000 Hanover Street
Palo Alto, CA 94304
415–857–1501
CEO: John A Young
Computers
Electronics-equipment

Hilton Hotels
9880 Wilshire Boulevard
Beverly Hills, CA 90210
213–278–4321
CEO: Barron Hilton
Leisure and recreation-hotels and gaming

Holiday Inns
3742 Lamar Avenue
Memphis, TN 38195
901–362–4338
CEO: Michael D Rose
Leisure and recreation-hotels and gaming

Home Federal Savings & Loan
707 Broadway
San Diego, CA 92101
619–699–8000
CEO: Kim Fletcher
Thrift institutions

Homestake Mining
650 California Street
San Francisco, CA 94108
415–981–8150
CEO: Harry M Conger
Metals-nonferrous metals
Other oil and gas

Honeywell
PO Box 524
Minneapolis, MN 55440
612–870–5200
CEO: Edson W Spencer
Electronics-equipment/Computers/
Aerospace and defense

Horizon Bancorp
334 Madison Avenue
Morristown, NJ 07960
201–539–7700
CEO: William J Shepherd
Banks-Northeast

George A Hormel
PO Box 800
Austin, MN 55912
507–437–5611
CEO: Richard L Knowlton
Food processors-meatpacking

Hospital Corp of America
One Park Plaza
Nashville, TN 37203
615–327–9551
CEO: Dr Thomas F Frist Jr
Health care-hospital management

Household International
2700 Sanders Road
Prospect Heights, IL 60070
312–564–5000
CEO: Donald C Clark
Multicompanies/Gen retailers-discount and variety/Finl services-lending, leasing and insurance

Houston Industries
PO Box 4505
Houston, TX 77210
713–228–2474
CEO: Don D Jordan
Electric utilities-Southwest

Houston Natural Gas
PO Box 1188
Houston, TX 77001
713–654–6161
CEO: Kenneth L Lay
Natural gas utilities-producers and pipelines

BHP. Another 3 months of growth.

The Broken Hill Proprietary Company Limited achieved the following unaudited consolidated Group results for the quarter ended 28 February 1985.

	Three months to			Nine months to		
	28 Feb. 1985 A$ million	29 Feb. 1984 A$ million	Percentage change	28 Feb. 1985 A$ million	29 Feb. 1984 A$ million	Percentage change
Sales	1519.3	1223.8	+24.1	4981.8	3782.8	+31.7
Divisional results*						
Petroleum Division	117.3	107.1		340.9	293.6	
Utah Division	35.7	–		97.7	–	
Minerals Division	10.0	32.1		44.8	51.3	
Steel Division	32.9	26.7		104.8	77.8	
Lysaght Division	7.3	8.1		29.9	28.9	
Corporate Items and Investments*	(8.6)	(8.7)		(70.5)	(0.4)	
Group Net Profit	194.6	165.3	+17.7	547.6	451.2	+21.4
Net profit attributable to BHP shareholders	192.3	159.7	+20.4	533.8	441.9	+20.8

*After depreciation, interest expense and tax

An increase in the half-yearly May dividend to 15 cents Australian per A$1 share on capital increased by a 1 for 8 bonus issue, together with the dividend declared in November 1984, involves a pay-out to shareholders of approximately A$262 million for the 1984-85 financial year, up 77% on 1983-84.

For further information, please contact
Mr Denys Harraway, BHP, San Francisco.
Telephone (415) 774 2288. Telex (23) 6712202 UII UW

Australia's
BHP

Where to find The Forbes 500s

Hughes Tool
6500 Texas Commerce Tower
Houston, TX 77002
713–222–0686

CEO: James R Lesch
Oilfield drillers and services

Humana
PO Box 1438
Louisville, KY 40201
502–580–1000

CEO: David A Jones
Health care-hospital management

Huntington Bancshares
41 South High Street
Columbus, OH 43260
614–476–8300

CEO: Frank Wobst
Banks-Midwest

EF Hutton Group
One Battery Park Plaza
New York, NY 10004
212–742–5000

CEO: Robert Fomon
Financial services-trading

IC Industries
111 East Wacker Drive
Chicago, IL 60601
312–565–3000

CEO: William B Johnson
Diversified cos-conglomerates/Food processors-branded foods/Surface transportation-railroads

Idaho Power
1220 Idaho Street
Boise, ID 83707
208–383–2200

CEO: James E Bruce
Electric utilities-West

Illinois Power
500 South 27th Street
Decatur, IL 62525
217–424–6600

CEO: Wendell J Kelley
Electric utilities-Midwest

Illinois Tool Works
8501 West Higgins Road
Chicago, IL 60631–2887
312–693–3040

CEO: John D Nichols
Industrial machinery

Imperial Corp of America
401 West A Street
San Diego, CA 92101
619–292–3900

CEO: Matthew J Shevlin
Thrift institutions

Indiana National
One Indiana Square
Indianapolis, IN 46266
317–266–6000

CEO: Thomas M Miller
Banks-Midwest

Ingersoll-Rand
200 Chestnut Ridge Road
Woodcliff Lake, NJ 07675
201–573–0123

CEO: Thomas A Holmes
Industrial machinery

Inland Steel
30 West Monroe Street
Chicago, IL 60603
312–346–0300

CEO: Frank W Luerssen
Metals-steel

Intel
3065 Bowers Avenue
Santa Clara, CA 95051
408–987–8080

CEO: Gordon E Moore
Electronics-semiconductors

Interco
PO Box 8777
St Louis, MO 63102
314–231–1100

CEO: Harvey Saligman
Diversified companies-multicompanies
Apparel-clothing

InterFirst
PO Box 83000
Dallas, TX 75283–1000
214–744–8000

CEO: Robert H Stewart III
Banks-Southwest

Intergraph
One Madison Industrial Park
Huntsville, AL 35807–9985
205–772–2000

CEO: James W Meadlock
Computers

International Business Machines
Old Orchard Road
Armonk, NY 10504
914–765–1900

CEO: John F Akers
Computers

International Flavors & Fragrances
521 West 57th Street
New York, NY 10019
212–765–5500

CEO: Henry G Walter Jr
Specialized chemicals

International Harvester
401 North Michigan Avenue
Chicago, IL 60611
312–836–2000

CEO: Donald D Lennox
Automobiles and trucks

International Minerals & Chemical
2315 Sanders Road
Northbrook, IL 60062
312–564–8600

CEO: George D Kennedy
Specialized chemicals

International Paper
77 West 45th Street
New York, NY 10036
212–536–6000

CEO: John A Georges
Paper
Packaging

InterNorth
2223 Dodge Street
Omaha, NE 68102
402–633–4000

CEO: Sam F Segnar
Natural gas utilities–integrated

Iowa-Illinois Gas & Electric
206 East Second Street
Davenport, IA 52803
319–326–7273

CEO: Barry C O'Brien
Electric utilities-Midwest

Ipalco Enterprises
PO Box 1595–B
Indianapolis, IN 46206
317–261–8261

CEO: Zane G Todd
Electric utilities-Midwest

Irving Bank
One Wall Street
New York, NY 10005
212–487–2121

CEO: Joseph A Rice
Banks-multinational banks

ITT
320 Park Avenue
New York, NY 10022
212–752–6000

CEO: Rand V Araskog
Diversified cos-multicompanies/Telecommunications-manufacturers/Insurance-diversified

IU International
1105 North Market Street
Wilmington, DE 19801
302–571–5000

CEO: John Gilray Christy
Diversified companies-multicompanies
Surface transportation-truckers

James River Corp of Virginia
PO Box 2218
Richmond, VA 23217
804–644–5411

CEO: Brenton S Halsey
Paper

Jefferson-Pilot
PO Box 21008
Greensboro, NC 27420
919–378–2011

CEO: W Roger Soles
Insurance-life and health

Jim Walter
PO Box 22601
Tampa, FL 33622
813–871–4811

CEO: Joe B Cordell
Building materials-other materials

Where to find The Forbes 500s

Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
201-524-0400
CEO: James E Burke
Health care-drugs
Consumer products-personal products

Johnson Controls
PO Box 591
Milwaukee, WI 53201
414-228-1200
CEO: Fred L Brengel
Electrical equipment
Automotive suppliers-parts makers

K mart
3100 West Big Beaver Road
Troy, MI 48084
313-643-1000
CEO: Bernard M Fauber
General retailers-discount and variety

Kaiser Aluminum & Chemical
300 Lakeside Drive
Oakland, CA 94643
415-271-3300
CEO: Cornell C Maier
Metals-nonferrous metals

Kansas City Power & Light
1330 Baltimore Avenue
Kansas City, MO 64105
816-556-2200
CEO: Arthur J Doyle
Electric utilities-Midwest

Kansas Gas & Electric
PO Box 208
Wichita, KS 67201
316-261-6611
CEO: Wilson K Cadman
Electric utilities-Midwest

Kansas Power & Light
PO Box 889
Topeka, KS 66601
913-296-6300
CEO: William E Wall
Electric utilities-Midwest

Kellogg
PO Box 3423
Battle Creek, MI 49016-3423
616-966-2000
CEO: William E Lamothe
Food processors-branded foods

Kemper
Long Grove, IL 60049
312-540-2527
CEO: Joseph E Luecke
Insurance-diversified

Kentucky Utilities
One Quality Street
Lexington, KY 40507
606-255-1461
CEO: William B Bechanan
Electric utilities-Southeast

Kerr-McGee
PO Box 25861
Oklahoma City, OK 73125
405-270-1313
CEO: Frank A McPherson
Petroleum-other oil and gas

Key Banks
60 State Street
Albany, NY 12207
518-447-3500
CEO: Victor J Riley Jr
Banks-Northeast

Kidde
Park 80 West Plaza 2
Saddle Brook, NJ 07662
201-368-9000
CEO: Fred R Sullivan
Diversified companies-conglomerates

Kimberly-Clark
North Lake Street
Neenah, WI 54956
414-721-2000
CEO: Darwin E Smith
Consumer products-personal products
Paper

Knight-Ridder Newspapers
One Herald Plaza
Miami, FL 33101
305-376-3800
CEO: Alvah H Chapman Jr
Publishing

Koppers
Koppers Building
Pittsburgh, PA 15219
412-227-2000
CEO: Charles R Pullin
Diversified cos-multicompanies/Specialized chemicals/Building materials-other materials

Kroger
1014 Vine Street
Cincinnati, OH 45201
513-762-4000
CEO: Lyle Everingham
Supermarkets-major chains

Landmark Banking Corp of Florida
PO Box 5367
Fort Lauderdale, FL 33394
305-765-2000
CEO: J Joseph Tuohy
Banks-Southeast

Lear Siegler
PO Box 2158
Santa Monica, CA 90406
213-452-5444
CEO: Robert T Campion
Diversified companies-conglomerates/Aerospace and defense/Automotive suppliers-parts makers

Leaseway Transportation
3700 Park East Drive
Cleveland, OH 44122
216-464-3300
CEO: Gerald C McDonough
Surface transportation-trucks

Levi Strauss
1155 Battery Street
San Francisco, CA 94111
415-544-6000
CEO: Robert D Haas
Apparel-clothing

Libbey-Owens-Ford
PO Box 799
Toledo, OH 43695-0749
419-247-3731
CEO: Don T McKone
Automotive suppliers-parts makers

Eli Lilly
Lilly Corporate Center
Indianapolis, IN 46285
317-261-2000
CEO: Richard D Wood
Health care-drugs

Limited
PO Box 16528
Columbus, OH 43216
614-475-4000
CEO: Leslie H Wexner
Specialty retailers-apparel

Lincoln National
PO Box 1110
Fort Wayne, IN 46801
219-427-2000
CEO: Ian M Rolland
Insurance-life and health

Litton Industries
360 North Crescent Drive
Beverly Hills, CA 90210
213-859-5000
CEO: Fred W O'Green
Diversified companies-conglomerates/Aerospace and defense/Industrial machinery

Lockheed
Box 551
Burbank, CA 91520-0610
818-847-6121
CEO: Roy A Anderson
Aerospace and defense

Loews
666 Fifth Avenue
New York, NY 10103
212-841-1000
CEO: Laurence A Tisch
Insurance-diversified
Tobacco

Long Island Lighting
175 Old Country Road
Hicksville, NY 11501
516-733-4590
CEO: William J Catacosinos
Electric utilities-Northeast

Longs Drug Stores
PO Box 5222
Walnut Creek, CA 94596
415-937-1170
CEO: Robert M Long
Specialty retailers-drug chains

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For information, please write:
Noel Douglas, Forbes Magazine
60 Fifth Ave., New York, NY 10011
or call 212/620-2461.

Where to find The Forbes 500s

Louisiana Land & Exploration
PO Box 60350
New Orleans, LA 70160
504–566–6500
CEO: E L Williamson
Petroleum-other oil and gas

Louisiana-Pacific
111 Southwest Fifth Avenue
Portland, OR 97204
503–221–0800
CEO: Harry A Merlo
Building materials-lumber

Louisville Gas & Electric
PO Box 32010
Louisville, KY 40232
502–566–4011
CEO: Robert L Royer
Electric utilities-Southeast

Lowe's Companies
Box 1111
North Wilkesboro, NC 28656
919–651–4000
CEO: Leonard G Herring
Specialty retailers-miscellaneous

LTV
PO Box 225003
Dallas, TX 75265–5003
214–979–7711
CEO: Raymond A Hay
Metals-steel
Aerospace and defense

Lubrizol
29400 Lakeland Boulevard
Wickliffe, OH 44092
216–943–4200
CEO: Lester E Coleman
Specialized chemicals

Lucky Stores
PO Box BB
Dublin, CA 94568
415–833–6000
CEO: S Donley Ritchey
Supermarkets-major chains
General retailers-department stores

M/A-Com
7 New England Executive Park
Burlington, MA 01803
617–272–9600
CEO: Richard T Di Bona
Telecommunications-manufacturers
Electronics-equipment

Mack Trucks
PO Box M
Allentown, PA 18105–5000
215–439–3011
CEO: John J Curcio
Automobiles and trucks

RH Macy
PO Box 959 GPO
New York, NY 10116
212–560–3600
CEO: Edward S Finkelstein
General retailers-department stores

Manufacturers Hanover
270 Park Avenue
New York, NY 10017
212–286–6000
CEO: John F McGillicuddy
Banks-multinational banks

Manufacturers National
Renaissance Center
Detroit, MI 48243
313–222–4000
CEO: Dean E Richardson
Banks-Midwest

Manville
PO Box 5108
Denver, CO 80217
303–978–2000
CEO: John A McKinney
Building materials-other materials

Mapco
PO Box 645
Tulsa, OK 74101–0645
918–584–4471
CEO: James E Barnes
Petroleum-other oil and gas

Marine
PO Box 481
Milwaukee, WI 53201
414–765–3000
CEO: George R Slater
Banks-Midwest

Marine Midland Banks
140 Broadway
New York, NY 10015
212–440–1000
CEO: John R Petty
Banks-Northeast

Marion Laboratories
PO Box 8480
Kansas City, MO 64114
816–966–5000
CEO: Fred W Lyons Jr
Health care-drugs

Marriott
One Marriott Drive
Washington, DC 20058
301–897–9000
CEO: J Willard Marriott Jr
Leisure and recreation-hotels and gaming
Services-food distributors

Marsh & McLennan Cos
1221 Avenue of the Americas
New York, NY 10020
212–997–2000
CEO: John M Regan Jr
Insurance-brokers

Marshall & Ilsley
770 North Water Street
Milwaukee, WI 53202
414–765–7801
CEO: William N Godfrey
Banks-Midwest

Martin Marietta
6801 Rockledge Drive
Bethesda, MD 20817
301-897-6000
CEO: Thomas G Pownall
Diversified companies-multicompanies
Aerospace and defense

Maryland National
10 Light Street
Baltimore, MD 21202
301-244-5000
CEO: Alan P Hoblitzell Jr
Banks-Northeast

Masco
21001 Van Born Road
Taylor, MI 48180
313-274-7400
CEO: Richard A Manoogian
Building materials-other materials

May Department Stores
611 Olive Street
St Louis, MO 63101
314-342-6300
CEO: David C Farrell
General retailers-department stores

Maytag
403 West 4th Street North
Newton, IA 50208
515-792-7000
CEO: Daniel J Krumm
Consumer products-appliances

MCA
100 Universal City Plaza
Universal City, CA 91608
818-985-4321
CEO: Lew R Wasserman
Leisure and recreation-entertainment

McDonald's
One McDonald's Plaza
Oak Brook, IL 60521
312-887-3500
CEO: Fred L Turner
Services-fast food chains

McDonnell Douglas
PO Box 516
St Louis, MO 63166
314-232-0232
CEO: Sanford N McDonnell
Aerospace and defense

McGraw-Edison
1701 Golf Road
Rolling Meadows, IL 60008
312-981-3800
CEO: Edward J Williams
Electrical equipment
Industrial machinery

McGraw-Hill
1221 Avenue of the Americas
New York, NY 10020
212-512-6160
CEO: Joseph L Dionne
Publishing

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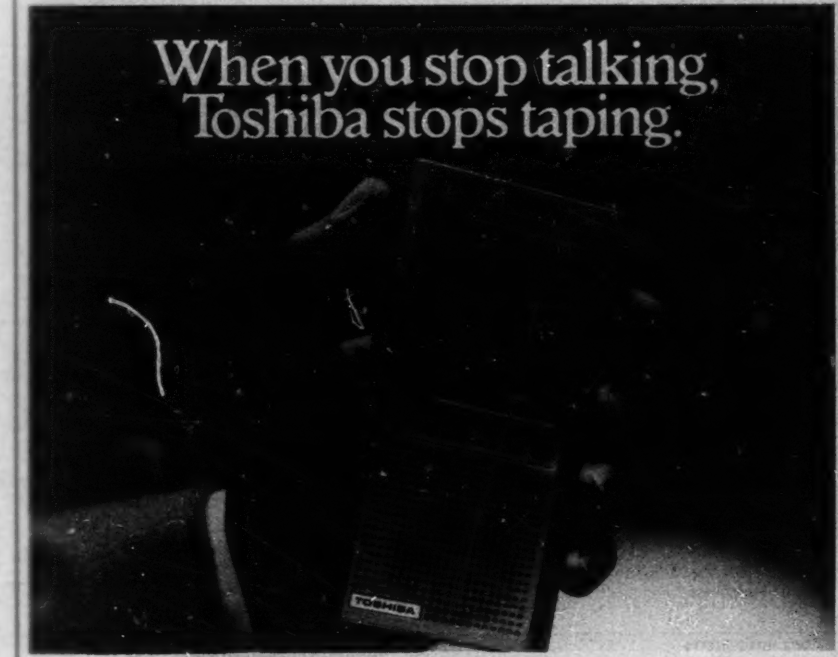

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Washington, DC 20036
202-872-1600
CEO: William G McGowan
Telecommunications-carriers

McKesson
One Post Street
San Francisco, CA 94104
415-983-8300
CEO: Neil E Harlan
Health care-drugs
Beverages-alcoholic beverages

McLean Industries
660 Madison Avenue
New York, NY 10021
212-593-3325
CEO: Malcolm P McLean
Surface transportation-other

MCorp (formerly Mercantile Texas)
1802 Commerce Street
Dallas, TX 75265
214-698-5000
CEO: Gene H Bishop
Banks-Southwest

Mead
Courthouse Plaza Northeast
Dayton, OH 45463
513-222-6323
CEO: Burnell R Roberts
Paper
Packaging

Mellon Bank
Mellon Square
Pittsburgh, PA 19102
412-232-4100
CEO: J David Barnes
Banks-Northeast

Melville
3000 Westchester Avenue
Harrison, NY 10528
914-253-8000
CEO: Francis C Rooney Jr
Specialty retailers-apparel
Specialty retailers-shoes

Mercantile Bancorporation
PO Box 524
St Louis, MO 63166
314-425-2270
CEO: Donald E Lasater
Banks-Midwest

Mercantile Bankshares
PO Box 1477
Baltimore, MD 21203
301-237-5900
CEO: H Furlong Baldwin
Banks-Northeast

Mercantile Stores
128 West 31st Street
New York, NY 10001
212-560-0500
CEO: Leon F Winbigler
General retailers-department stores

Merchants National
One Merchants Plaza
Indianapolis, IN 46255
317-267-6100
CEO: Otto N Frenzel III
Banks-Midwest

Merck
PO Box 2000
Rahway, NJ 07065
201-574-4000
CEO: John J Horan
Health care-drugs

Meridian Bancorp
PO Box 1102
Reading, PA 19603
215-320-2000
CEO: Samuel A McCullough
Banks-Northeast

Merrill Lynch
165 Broadway
New York, NY 10080
212-637-7455
CEO: William A Schreyer
Financial services-trading

Mesa Petroleum
PO Box 2009
Amarillo, TX 79189
806-378-1000
CEO: T Boone Pickens Jr
Petroleum-other oil and gas

Michigan National
PO Box 589
Bloomfield Hills, MI 48303
313-642-9001
CEO: Robert J Mylod
Banks-Midwest

MidCon
PO Box 1207
Lombard, IL 60148
312-691-2500
CEO: Orval C Davis
Natural gas utilities-producers and pipelines

Middle South Utilities
PO Box 61005
New Orleans, LA 70161
504-529-5262
CEO: Floyd W Lewis
Electric utilities-Southeast

Midlantic Banks
PO Box 600
Edison, NJ 08818
201-321-8000
CEO: Robert Van Buren
Banks-Northeast

Midwest Financial Group
301 Southwest Adams Street
Peoria, IL 61631
309-655-5000
CEO: David E Connor
Banks-Midwest

Minnesota Mining & Manufacturing
3m Center
St Paul, MN 51444
612-733-1110
CEO: Lewis W Lehr
Diversified companies-multicompanies

Mitchell Energy & Development
2001 Timberloch
The Woodlands, TX 77387-4000
713-363-5500
CEO: George P Mitchell
Natural gas utilities-producers and pipelines
Petroleum-other oil and gas

Mobil
150 East 42nd Street
New York, NY 10017-5666
212-883-4242
CEO: Rawleigh Warner Jr
Petroleum-international oils

Monfort of Colorado
PO Box G
Greeley, CO 80631
303-353-2311
CEO: Kenneth W Monfort
Food processors-meatpacking

Monsanto
800 North Lindbergh Boulevard
St Louis, MO 63167
314-694-1000
CEO: Richard J Mahoney
Diversified chemicals

Moore Financial Group
101 South Capitol Boulevard
Boise, ID 83733
208-383-7000
CEO: Fred C Humphreys
Banks-West

JP Morgan
23 Wall Street
New York, NY 10015
212-483-2323
CEO: Lewis T Preston
Banks-multinational banks

Morrison-Knudsen
PO Box 7808
Boise, ID 83729
208-386-5000
CEO: William H McMurren
Builders-commercial

Morton Thiokol
110 North Wacker Drive
Chicago, IL 60606
312-621-5328
CEO: Charles S Locke
Specialized chemicals
Aerospace and defense

Motorola
1303 East Algonoquin Road
Schaumburg, IL 60196
312-397-5000
CEO: Robert W Galvin
Electronics-semiconductors
Telecommunications-manufacturers

Where to find The Forbes 500s

Murphy Oil
200 Peach Street
El Dorado, AR 71730
501–86[illegible]–6411
CEO: Robert J Sweeney
Petroleum-other oil and gas

Nabisco Brands
Nabisco Brands Plaza
Parsippany, NJ 07054
201–898–7100
CEO: F Ross Johnson
Food processors-branded foods

Nalco Chemical
2901 Butterfield Road
Oak Brook, IL 60521
312–887–7500
CEO: Worley H Clark Jr
Specialized chemicals

National Bancshares Corp of Texas
PO Drawer 121
San Antonio, TX 78291
512–225–2511
CEO: Richard W Calvert
Banks-Southwest

National Can
8101 Higgins Road
Chicago, IL 60631
312–399–3000
CEO: Frank W Considine
Packaging

National City
1900 East Ninth Street
Cleveland, OH 44114
216–575–2000
CEO: Julien L McCall
Banks-Midwest

National Distillers & Chemical
99 Park Avenue
New York, NY 10016
212–949–5000
CEO: Drummond C Bell
Diversified companies-multicompanies/Petroleum-other oil and gas/Diversified chemicals

National Gypsum
4100 Interfirst Two
Dallas, TX 75270
214–653–8511
CEO: John P Hayes
Building materials-cement and gypsum
Building materials-other materials

National Intergroup
20 Stanwix Street
Pittsburgh, PA 15222
412–394–4100
CEO: Howard M Love
Metals-steel

National Medical Entrprises
11620 Wilshire Boulevard
Los Angeles, CA 90025
213–479–5526
CEO: Richard K Eamer
Health care-hospital management

National Semiconductor
2900 Semiconductor Drive
Santa Clara, CA 95051
408–721–5000
CEO: Charles E Sporck
Electronics-semiconductors

National Service Industries
1180 Peachtree Street NE
Atlanta, GA 30309
404–892–2400
CEO: Erwin Zaban
Services-industrial services
Electrical equipment

NBD Bancorp
611 Woodward Avenue
Detroit, MI 48226
313–225–1000
CEO: Charles T Fisher III
Banks-Midwest

NCNB
One NCNB Plaza
Charlotte, NC 28255
704–374–5000
CEO: Hugh L McColl Jr
Banks-Southeast

NCR
1700 South Patterson Blvd
Dayton, OH 45479
513–445–5000
CEO: Charles E Exley Jr
Computers

New England Electric System
25 Research Drive
Westborough, MA 01582
617–366–9011
CEO: Samuel Huntington
Electric utilities-Northeast

New York State Electric & Gas
4500 Vestal Parkway East
Binghamton, NY 13903
607–729–2551
CEO: Wells P Allen Jr
Electric utilities-Northeast

New York Times
229 West 43rd Street
New York, NY 10036
212–556–1234
CEO: Arthur Ochs Sulzberger
Publishing

Newmont Mining
200 Park Avenue
New York, NY 10166
212–953–6900
CEO: Plato Malozemoff
Metals-nonferrous metals

Niagara Mohawk Power
300 Erie Boulevard West
Syracuse, NY 13202
315–474–1511
CEO: John G Haehl Jr
Electric utilities-Northeast

Nicor
1700 West Ferry Road
Naperville, IL 60566
312–242–4470
CEO: Clarence J Gauthier
Natural gas utilities-distributors

NL Industries
1230 Avenue of the Americas
New York, NY 10020
212–621–9400
CEO: Theodore C Rogers
Oilfield drillers and services
Specialized chemicals

Norfolk Southern
PO Box 3609
Norfolk, VA 23514–3609
804–629–2600
CEO: Robert B Claytor
Surface transportation-railroads

Norstar Bancorp
1450 Western Avenue
Albany, NY 12203
518–447–4043
CEO: Peter D Kiernan
Banks-Northeast

North American Philips
100 East 42nd Street
New York, NY 10017
212–697–3600
CEO: Cees Bruynes
Electronics-equipment

Northeast Savings
147 Charter Oak Avenue
Hartford, CT 06106
203–727–1600
CEO: Kent Dixon
Thrift institutions

Northeast Utilities
PO Box 270
Hartford, CT 06141–0270
203–665–5000
CEO: William B Ellis
Electric utilities-Northeast

Northern Indiana Public Service
5265 Hohman Avenue
Hammond, IN 46320
219–853–5200
CEO: Edmund A Schroer
Natural gas utilities-distributors
Electric utilities-Midwest

Northern States Power
414 Nicollet Mall
Minneapolis, MN 55401
612–330–5500
CEO: Donald W McCarthy
Electric utilities-Midwest

Northern Trust
50 South LaSalle Street
Chicago, IL 60675
312–630–6000
CEO: Weston R Christopherson
Banks-Midwest

Where to find The Forbes 500s

Northrop
1840 Century Park East
Los Angeles, CA 90067
213-553-6262
CEO: Thomas V Jones
Aerospace and defense

Northwest Industries
6300 Sears Tower
Chicago, IL 60606
312-876-7000
CEO: Ben W Heineman
Diversified companies-conglomerates

Northwestern Financial
PO Box 21527
Greensboro, NC 27420
919-271-5600
CEO: Ben T Craig
Banks-Southeast

Northwestern National Life Insurance
20 Washington Avenue South
Minneapolis, MN 55440
612-372-5432
CEO: John E Pearson
Insurance-life and health

Norton
One New Bond Street
Worcester, MA 01606
617-853-1000
CEO: Donald R Melville
Industrial machinery

Norwest
1200 Peavey Building
Minneapolis, MN 55479
612-372-8268
CEO: Lloyd P Johnson
Banks-Midwest

NVF
6917 Collins Avenue
Miami Beach, FL 33141
305-866-7771
CEO: Victor Posner
Metals-steel

NWA (formerly Northwest Airlines)
International Airport
St Paul, MN 55111
612-726-2111
CEO: Steven G Rothmeier
Air transport-passenger

Nynex
335 Madison Avenue
New York, NY 10017
212-370-7400
CEO: Delbert C Staley
Telecommunications-carriers

Occidental Petroleum
10889 Wilshire Boulevard
Los Angeles, CA 90024
213-879-1700
CEO: Armand Hammer
Petroleum-international oils
Food processors-meatpacking

Ogden
277 Park Avenue
New York, NY 10172
212-754-4000
CEO: Ralph E Ablon
Diversified companies-conglomerates

Ohio Edison
76 South Main Street
Akron, OH 44308
216-384-5100
CEO: Justin T Rogers Jr
Electric utilities-Midwest

Oklahoma Gas & Electric
PO Box 321
Oklahoma City, OK 73101
405-272-3000
CEO: James G Harlow Jr
Electric utilities-Southwest

Old Kent Financial
One Vandenberg Center
Grand Rapids, MI 49503
616-774-5000
CEO: John C Canepa
Banks-Midwest

Old Stone
150 South Main Street
Providence, RI 02903
401-278-2000
CEO: Theodore W Barnes
Banks-Northeast

Olin
120 Long Ridge Road
Stamford, CT 06904
203-356-2000
CEO: John M Henske
Diversified companies-multicompanies
Diversified chemicals

Owens-Corning Fiberglas
Fiberglas Tower
Toledo, OH 43659
419-248-8000
CEO: William W Boeschenstein
Building materials-other materials

Owens-Illinois
One SeaGate
Toledo, OH 43666
419-247-5000
CEO: Robert J Lanigan
Packaging

Paccar
PO Box 1518
Bellevue, WA 98009
206-455-7400
CEO: Charles M Pigott
Automobiles and trucks

Pacific Gas & Electric
77 Beale Street
San Francisco, CA 94106
415-781-4211
CEO: Frederick W Mielke Jr
Electric utilities-West

Pacific Lighting
810 South Flower Street
Los Angeles, CA 90017
213-689-3481
CEO: Paul A Miller
Natural gas utilities-integrated

Pacific Resources
PO Box 3379
Honolulu, HI 96842
808-547-3111
CEO: Joseph A Pelletier
Petroleum-other oil and gas

Pacific Telesis Group
140 New Montgomery Street
San Francisco, CA 94105
415-882-8000
CEO: Donald E Guinn
Telecommunications-carriers

PacifiCorp (formerly Pacific Power & Light)
920 Southwest Sixth Avenue
Portland, OR 97204
503-243-1122
CEO: Don C Frisbee
Electric utilities-West

Paine Webber Group
1285 Avenue of the Americas
New York, NY 10019
212-713-2000
CEO: Donald B Marron
Financial services-trading

Pan Am Corp
200 Park Avenue
New York, NY 10166
212-880-1234
CEO: C Edward Acker
Air transport-passenger

Panhandle Eastern
PO Box 1642
Houston, TX 77251-1642
713-664-3401
CEO: Robert D Hunsucker
Natural gas utilities-producers and pipelines

Parker-Hannifin
17325 Euclid Avenue
Cleveland, OH 44112-1290
216-531-3000
CEO: Paul G Schloemer
Industrial machinery

Penn Central
500 West Putnam Avenue
Greenwich, CT 06836
203-629-5000
CEO: Alfred W Martinelli
Diversified companies-conglomerates/Petroleum-other oil and gas/Aerospace and defense

JC Penney
1301 Avenue of the Americas
New York, NY 10019
212-957-4321
CEO: William R Howell
General retailers-department stores

Where to find The Forbes 500s

Pennsylvania Power & Light
Two North Ninth Street
Allentown, PA 18101
215–770–5151

CEO: Robert K Campbell
Electric utilities-Northeast

Pennzoil
PO Box 2967
Houston, TX 77252–8200
713–546–4000

CEO: J Hugh Liedtke
Petroleum-other oil and gas

Peoples Bancorp
PO Box 720
Seattle, WA 98111
206–344–2300

CEO: Joshua Green III
Banks-West

Peoples Energy
122 South Michigan Avenue
Chicago, IL 60603
312–431–4000

CEO: Eugene A Tracy
Natural gas utilities-distributors

PepsiCo
700 Anderson Hill Road
Purchase, NY 10577
914–253–2000

CEO: Donald M Kendall
Beverages-soft drinks
Food processors-branded foods

Perkin-Elmer
Main Avenue
Norwalk, CT 06856
203–762–1000

CEO: Horace G McDonell Jr
Electronics-equipment
Aerospace and defense

Petrie Stores
70 Enterprise Avenue
Secaucus, NJ 07094
201–866–3600

CEO: Milton J Petrie
Specialty retailers-apparel

Pfizer
235 East 42nd Street
New York, NY 10017
212–573–2323

CEO: Edmund T Pratt Jr
Health care-drugs

Phibro-Salomon
1221 Avenue of the Americas
New York, NY 10020
212–764–3700

CEO: John H Gutfreund
Financial services-trading
Petroleum-other oil and gas

Philadelphia Electric
PO Box 8699
Philadelphia, PA 19101
215–841–4000

CEO: James L Everett
Electric utilities-Northeast

Philip Morris
120 Park Avenue
New York, NY 10017
212–880–5000

CEO: Hamish Maxwell
Tobacco

Phillips Petroleum
Phillips Building
Bartlesville, OK 74004
918–661–6600

CEO: William C Douce
Petroleum-international oils

Piedmont Aviation
Smith Reynolds Airport
Winston–Salem, NC 27102
919–767–5100

CEO: William R Howard
Air transport-passenger

Pillsbury
Pillsbury Center
Minneapolis, MN 55402
612–330–4966

CEO: William H Spoor
Food processors-branded foods
Services-fast food chains

Pioneer
PO Box 511
Amarillo, TX 79163
806–373–6054

CEO: C David Culver
Natural gas utilities-producers and pipelines

Pioneer Hi-Bred International
400 Locust Street
Des Moines, IA 50309
515–245–3500

CEO: Thomas N Urban
Food processors-commodities

Pitney Bowes
Walter H Wheeler Jr Drive
Stamford, CT 06926–0700
203–356–5000

CEO: George B Harvey
Office equipment

Pittston
PO Box 8900
Greenwich, CT 06836
203–622–0900

CEO: Paul W Douglas
Coal
Air transport-freight

PNC Financial
Fifth Avenue & Wood Street
Pittsburgh, PA 15222
412–355–2666

CEO: Thomas H O'Brien
Banks-Northeast

Polaroid
549 Technology Square
Cambridge, MA 02139
617–577–2000

CEO: William J McCune Jr
Leisure and recreation-photography

Portland General Electric
121 Southwest Salmon Street
Portland, OR 97204
503–226–8333

CEO: Robert H Short
Electric utilities-West

Potomac Elec Power
1900 Pennsylvania Avenue NW
Washington, DC 20068
202–872–2000

CEO: W Reid Thompson
Electric utilities-Southeast

PPG Industries
One PPG Place
Pittsburgh, PA 15272
412–434–3131

CEO: Vincent A Sarni
Automotive suppliers-parts makers
Building materials-other materials

Price Co
PO Box 85466
San Diego, CA 92138
619–581–4600

CEO: Robert E Price
Specialty retailers-miscellaneous

Primark
8251 Greensboro Drive
Mclean, VA 22102
703–790–7600

CEO: Robert W Stewart
Natural gas utilities-distributors

Prime Computer
Prime Park
Natick, MA 01760
617–655–8000

CEO: Joe M Henson
Computers

Procter & Gamble
301 East Sixth Street
Cincinnati, OH 45202
513–562–1100

CEO: John G Smale
Consumer products-personal products
Consumer products-household products

Provident Life & Accident
Fountain Square
Chattanooga, TN 37402
615–755–1011

CEO: H Carey Hanlin
Insurance-life and health

PSFS
12 South 12th Street
Philadelphia, PA 19107
215–636–6000

CEO: M Todd Cooke
Thrift institutions

Public Service Co of Colorado
PO Box 840
Denver, CO 80201
303–571–7511

CEO: Richard F Walker
Electric utilities-West

Where to find The Forbes 500s

Public Service Co of Indiana
1000 East Main Street
Plainfield, IN 46168
317-839-9611

CEO: Hugh A Barker
Electric utilities-Midwest

Public Service Co of New Hampshire
1000 Elm Street
Manchester, NH 03105
603-669-4000

CEO: Robert J Harrison
Electric utilities-Northeast

Public Service Co of New Mexico
Alvarado Square
Albuquerque, NM 87158
505-848-2700

CEO: Jerry D Geist
Electric utilities-Southwest

Public Service Electric & Gas
80 Park Plaza
Newark, NJ 07101
201-430-7000

CEO: Harold W Sonn
Electric utilities-Northeast

Puget Sound Power & Light
10608 Northeast 4th Street
Bellevue, WA 98009
206-454-6363

CEO: John W Ellis
Electric utilities-West

Quaker Oats
345 Merchandise Mart Plaza
Chicago, IL 60654
312-222-7111

CEO: William D Smithburg
Food processors-branded foods

Questar (formerly Mountain Fuel Supply)
PO Box 11150
Salt Lake City, UT 84147
801-534-5555

CEO: R D Cash
Natural gas utilities-integrated

Rainier Bancorporation
PO Box 3966
Seattle, WA 98124
206-621-4111

CEO: G Robert Truex Jr
Banks-West

Ralston Purina
Checkerboard Square
St Louis, MO 63164
314-982-1000

CEO: William P Stiritz
Food processors-commodities
Food processors-branded foods

Raytheon
141 Spring Street
Lexington, MA 02173
617-862-6600

CEO: Thomas L Phillips
Diversified cos-conglomerates/Electronics-equipment/Aerospace and defense

RCA
30 Rockefeller Plaza
New York, NY 10020
212-[illegible]21-6000

CEO: Robert R Frederick
Diversified companies-multicompanies/Broadcasting/Electronics-equipment

Republic Airlines
7500 Airline Drive
Minneapolis, MN 55450
612-726-7100

CEO: Daniel F May
Air transport-passenger

Republic New York
452 Fifth Avenue
New York, NY 10018
212-221-6000

CEO: Walter H Weiner
Banks-Northeast

RepublicBank
PO Box 222105
Dallas, TX 75222
214-922-5031

CEO: Gerald W Fronterhouse
Banks-Southwest

Revco DS
1925 Enterprise Parkway
Twinsburg, OH 44087
216-425-9811

CEO: Sidney Dworkin
Specialty retailers-drug chains

Revlon
767 Fifth Avenue
New York, NY 10153
212-572-2880

CEO: Michel C Bergerac
Health care-drugs
Consumer products-personal products

RJ Reynolds Industries
Reynolds Boulevard
Winston-Salem, NC 27102
919-773-2000

CEO: J Tylee Wilson
Tobacco
Food processors-branded foods

Reynolds Metals
6601 Broad Street Road
Richmond, VA 23261
804-281-2000

CEO: David P Reynolds
Metals-nonferrous metals

Richardson-Vicks
Ten Westport Road
Wilton, CT 06897
203-834-5000

CEO: John S Scott
Consumer products-personal products

Riggs National
1503 Pennsylvania Avenue NW
Washington, DC 20005
202-835-6000

CEO: Joe L Allbritton
Banks-multinational banks

RIHT Financial
One Hospital Trust Plaza
Providence, RI 02903
401-278-8000

CEO: Henry S Woodbridge Jr
Banks-Northeast

Rite Aid
PO Box 3165
Harrisburg, PA 17105
717-761-2633

CEO: Alex Grass
Specialty retailers-drug chains

Roadway Services
PO Box 471
Akron, OH 44309
216-384-1717

CEO: Charles F Zodrow
Surface transportation-truckers

Rochester Gas & Electric
89 East Avenue
Rochester, NY 14649
716-546-2700

CEO: Paul W Briggs
Electric utilities-Northeast

Rockwell International
600 Grant Street
Pittsburgh, PA 15219
412-565-2000

CEO: Robert Anderson
Aerospace and defense
Automotive suppliers-parts makers

Rohm & Haas
Independence Mall West
Philadelphia, PA 19105
215-592-3000

CEO: Vincent L Gregory Jr
Diversified chemicals

Rubbermaid
1147 Akron Road
Wooster, OH 44691
216-264-6464

CEO: Stanley C Gault
Consumer products-household products

Ryder System
3600 Northwest 82nd Avenue
Miami, FL 33166
305-593-3726

CEO: M Anthony Burns
Surface transportation-truckers

Safeco
Safeco Plaza
Seattle, WA 98185
206-545-5000

CEO: Roland M Trafton
Insurance-diversified

Safeway Stores
201 Fourth Street
Oakland, CA 94660
415-891-3000

CEO: Peter A Magowan
Supermarkets-major chains

Where to find The Forbes 500s

St Paul Cos
385 Washington Street
St Paul, MN 55102
612-221-7911
CEO: Robert J Haugh
Insurance-property and casualty

San Diego Gas & Electric
PO Box 1831
San Diego, CA 92112
619-232-4252
CEO: Thomas A Page
Electric utilities-West

Sanders Associates
Daniel Webster Highway South
Nashua, NH 03061
603-885-4321
CEO: Jack L Bowers
Aerospace and defense
Office equipment

Santa Fe Southern Pacific
224 South Michigan Avenue
Chicago, IL 60604
312-427-4900
CEO: John J Schmidt
Surface transportation-railroads

Sara Lee (formerly Consolidated Foods)
Three First National Plaza
Chicago, IL 60602
312-726-2600
CEO: John H Bryan Jr
Food processors-branded foods
Consumer products-personal products

Scana (formerly South Carolina E&G)
1426 Main Street
Columbia, SC 29201
803-748-3000
CEO: Virgil C Summer
Electric utilities-Southeast

Schering-Plough
1 Giralda Farms
Madison, NJ 07940-1000
201-822-7000
CEO: Robert P Luciano
Health care-drugs
Consumer products-personal products

SCM
299 Park Avenue
New York, NY 10171-0161
212-752-2700
CEO: Paul H Elicker
Diversified companies-multicompanies
Building materials-other materials

SCOA Industries
33 North High Street
Columbus, OH 43215
614-221-7262
CEO: Herbert H Schiff
General retailers-discount and variety

Scott Paper
Scott Plaza
Philadelphia, PA 19113
215-522-5000
CEO: Philip E Lippincott
Consumer products-personal products
Paper

Sea-Land
10 Parsonage Road
Edison, NJ 08817
201-632-2000
CEO: Joseph F Abely Jr
Surface transportation-other

GD Searle
PO Box 1045
Skokie, IL 60076
312-982-7000
CEO: Donald H Rumsfeld
Health care-drugs

Sears, Roebuck
Sears Tower
Chicago, IL 60684
312-875-2500
CEO: Edward R Telling
General retailers-department stores
Financial services-lending, leasing and insurance

Security Pacific
333 South Hope Street
Los Angeles, CA 90071
213-613-6211
CEO: Richard J Flamson III
Banks-West

Service Merchandise
PO Box 24600
Nashville, TN 37202
615-251-6666
CEO: Raymond Zimmerman
Specialty retailers-catalog showrooms

Shared Medical Systems
51 Valley Stream Parkway
Malvern, PA 19355
215-296-6300
CEO: R James Macaleer
Health care-hospital management

Shawmut
One Federal Street
Boston, MA 02111
617-292-2000
CEO: John P LaWare
Banks-Northeast

Shell Oil
One Shell Plaza
Houston, TX 77002
713-241-6161
CEO: John F Bookout
Petroleum-other oil and gas

Sherwin-Williams
101 Prospect Avenue NW
Cleveland, OH 44115
216-566-2000
CEO: John G Breen
Specialty retailers-miscellaneous/Specialty retailers-drug chains/Building materials-other materials

Shoney's
1727 Elm Hill Pike
Nashville, TN 37202
615-361-5201
CEO: R L Danner
Services-fast food chains

Signal Cos
11255 North Torrey Pines Road
La Jolla, CA 92037
619-457-3555
CEO: Forrest N Shumway
Diversified companies-conglomerates/Aerospace and defense/Builders-commercial

Singer
PO Box 10151
Stamford, CT 06904-2151
203-356-4200
CEO: Joseph B Flavin
Aerospace and defense
Consumer products-appliances

SmithKline Beckman
PO Box 7929
Philadelphia, PA 19101
215-751-5134
CEO: Henry Wendt
Health care-drugs
Health care-products

Snap-On Tools
2801 80th Street
Kenosha, WI 53141-1410
414-656-5200
CEO: William B Rayburn
Automotive suppliers-parts makers

Society
127 Public Square
Cleveland, OH 44114
216-622-9000
CEO: Gordon E Heffern
Banks-Midwest

Sonat
PO Box 2563
Birmingham, AL 35202
205-325-3800
CEO: Ronald L Kuehn Jr
Natural gas utilities-integrated

South Carolina National
1426 Main Street
Columbia, SC 29226-0001
803-765-3000
CEO: James G Lindley
Banks-Southeast

Southeast Banking
One Southeast Financial Center
Miami, FL 33131
305-375-7500
CEO: Charles J Zwick
Banks-Southeast

Southern California Edison
PO Box 800
Rosemead, CA 91770
818-572-1212
CEO: Howard P Allen
Electric utilities-West

Southern Company
64 Perimeter Center East
Atlanta, GA 30346
404-393-0650
CEO: Edward L Addison
Electric utilities-Southeast

Where to find The Forbes 500s

Southern New England Telephone
227 Church Street
New Haven, CT 06506
203–771–5200
CEO: Walter H Monteith Jr
Telecommunications-carriers

Southland
PO Box 719
Dallas, TX 75221
214–828–7011
CEO: John P Thompson
Supermarkets-convenience stores
Petroleum-other oil and gas

Southmark
1601 LBJ Freeway
Dallas, TX 75234
214–241–8787
CEO: Gene E Phillips
Financial services-lending, leasing and insurance

SouthTrust
PO Box 2554
Birmingham, AL 35290
205–254–5680
CEO: Wallace D Malone Jr
Banks-Southeast

Southwest Airlines
PO Box 37611
Dallas, TX 75235
214–353–6100
CEO: Herbert D Kelleher
Air transport-passenger

Southwestern Bell
One Bell Center
St Louis, MO 63101
314–247–9800
CEO: Zane E Barnes
Telecommunications-carriers

Southwestern Public Service
PO Box 1261
Amarillo, TX 79170
806–378–2121
CEO: Berl M Springer
Electric utilities-Southwest

Sovran Financial
One Commercial Place
Norfolk, VA 23510
804–441–4000
CEO: Clifford A Cutchins III
Banks-Southeast

Sperry
1290 Avenue of the Americas
New York, NY 10104
212–484–4444
CEO: Gerald G Probst
Computers
Aerospace and defense

Square D
Executive Plaza
Palatine, IL 60067
312–397–2600
CEO: Dalton L Knauss
Electrical equipment

Squibb
PO Box 4000
Princeton, NJ 08540
609–921–4000
CEO: Richard M Furlaud
Health care-drugs

Staley Continental (formerly AE Staley Mfg)
PO Box 151
Decatur, IL 62525
217–423–4411
CEO: Donald E Nordlund
Food processors-commodities

Standard Oil Indiana
200 East Randolph Drive
Chicago, IL 60601
312–856–6111
CEO: Richard M Morrow
Petroleum-other oil and gas

Standard Oil Ohio
Midland Building
Cleveland, OH 44115
216–575–4141
CEO: Alton W Whitehouse Jr
Petroleum-other oil and gas

Stanley Works
1000 Stanley Drive
New Britain, CT 06050
203–225–5111
CEO: Donald W Davis
Industrial machinery
Consumer products-appliances

State Street Boston
225 Franklin Street
Boston, MA 02110
617–786–3000
CEO: William S Edgerly
Banks-Northeast

Stauffer Chemical
Westport, CT 06881
203–222–3000
CEO: H Barclay Morley
Diversified chemicals

Sterling Drug
90 Park Avenue
New York, NY 10016
212–907–2000
CEO: John M Pietruski
Health care-drugs
Consumer products-household products

Stop & Shop Cos
PO Box 369
Boston, MA 02101
617–770–8000
CEO: Avram J Goldberg
Supermarkets-major chains
General retailers-discount and variety

Storer Communications
PO Box 61–8000
Miami, FL 33161–8000
305–899–1000
CEO: Peter Storer
Broadcasting

Student Loan Marketing Association
1050 Thomas Jefferson St NW
Washington, DC 20007
202–333–8000
CEO: Edward A Fox
Financial services-lending, leasing and insurance

Subaru of America
7040 Central Highway
Pennsauken, NJ 08109
609–488–8500
CEO: Harvey H Lamm
Automobiles and trucks

Suburban Bancorp
6610 Rockledge Drive
Bethesda, MD 20817
301–493–7079
CEO: Robert F Tardio
Banks-Northeast

Sumitomo Bank of California
365 California Street
San Francisco, CA 94104
415–445–8000
CEO: Teruhisa Shimizu
Banks-West

Sun Banks
PO Box 2848
Orlando, FL 32802
305–237–4585
CEO: Joel R Wells Jr
Banks-Southeast

Sun Company
100 Matsonford Road
Radnor, PA 19087
215–293–6000
CEO: Theodore A Burtis
Petroleum-other oil and gas

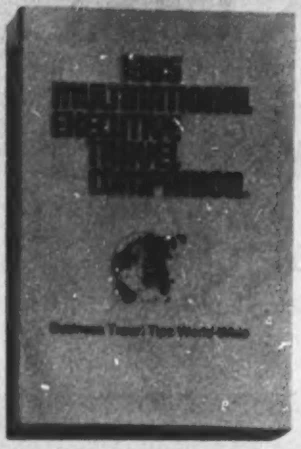
Sundstrand
PO Box 7003
Rockford, IL 61125–7003
815–226–6000
CEO: Evans W Erikson
Aerospace and defense
Industrial machinery

Sunwest Financial Services
PO Box 1344
Albuquerque, NM 87103
505–765–2403
CEO: George S Jenks
Banks-Southwest

Super Food Services
Kettering Box 2323
Dayton, OH 45429
513–294–1731
CEO: Jack Twyman
Services-food distributors

Super Valu Stores
11840 Valley View Road
Eden Prairie, MN 55344
612–828–4000
CEO: Michael W Wright
Services-food distributors

BUSINESS TRAVEL



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Company ____________________
Address ____________________
City ______________ State ______
Zip ________ Country ____________

Where to find The Forbes 500s

Supermarkets General
301 Blair Road
Woodbridge, NJ 07095
201–499–3000
CEO: Leonard Lieberman
Supermarkets-major chains

Swift Independent
115 West Jackson Boulevard
Chicago, IL 60604
312–431–3500
CEO: John A Copeland
Food processors-meatpacking

Sysco
1177 West Loop South
Houston, TX 77027
713–877–1122
CEO: John F Woodhouse
Services-food distributors

Tambrands (formerly Tampax)
10 Delaware Drive
Lake Success, NY 11042
516–437–8800
CEO: Edwin H Shutt
Consumer products-personal products

Tandem Computers
19333 Vallco Parkway
Cupertino, CA 95014–2599
408–725–6000
CEO: James G Treybig
Computers

Tandy
PO Box 17180
Fort Worth, TX 76102
817–390–3700
CEO: John V Roach
Leisure and recreation-toys and electronics

TECO Energy
Box 111
Tampa, FL 33601
813–228–4111
CEO: Hugh L Culbreath
Electric utilities-Southeast

Tecumseh Products
100 East Patterson Street
Tecumseh, MI 49286
517–423–8411
CEO: Kenneth G Herrick
Industrial machinery

Tektronix
PO Box 500
Beaverton, OR 97077
503–627–7111
CEO: Earl Wantland
Electronics-equipment

Tele-Communications
5455 South Valentia Way
Englewood, CO 80111
303–771–8200
CEO: John C Malone
Broadcasting

Teledyne
1901 Avenue of the Stars
Los Angeles, CA 90067
213–277–3311
CEO: Henry E Singleton
Diversified companies-conglomerates/Insurance-diversified/Industrial machinery

Telerate
One World Trade Center
New York, NY 10048
212–938–5200
CEO: Neil S Hirsch
Financial services-lending, leasing and insurance

Temple-Inland
Drawer N
Diboll, TX 75941
409–829–2211
CEO: Clifford J Grum
Packaging
Building materials-other materials

Tenneco
PO Box 2511
Houston, TX 77001
713–757–2131
CEO: James L Ketelsen
Petroleum-other oil and gas
Natural gas utilities-producers and pipelines

Tesoro Petroleum
8100 Tesoro Drive
San Antonio, TX 78286
512–828–8484
CEO: Robert V West Jr
Petroleum-other oil and gas

Texaco
2000 Westchester Avenue
White Plains, NY 10650
914–253–4000
CEO: John K McKinley
Petroleum-international oils

Texas Air
333 Clay Street
Houston, TX 77002
713–658–9588
CEO: Francisco A Lorenzo
Air transport-passenger

Texas American Bancshares
PO Box 2050
Fort Worth, TX 76113
817–338–8671
CEO: Lewis H Bond
Banks-Southwest

Texas Commerce Bancshares
600 Travis Street
Houston, TX 77002
713–236–4865
CEO: Ben F Love
Banks-Southwest

Texas Eastern
PO Box 2521
Houston, TX 77252
713–759–3131
CEO: I David Bufkin
Natural gas utilities-producers and pipelines

Texas Instruments
PO Box 225474
Dallas, TX 75265
214-995-2011
CEO: J Fred Bucy
Electronics-semiconductors
Aerospace and defense

Texas Oil & Gas
1700 Pacific Avenue
Dallas, TX 75201
214-954-2000
CEO: Forrest E Hoglund
Petroleum-other oil and gas

Texas Utilities
2001 Bryan Tower
Dallas, TX 75201
214-653-4600
CEO: Perry G Brittain
Electric utilities-Southwest

Textron
40 Westminster Street
Providence, RI 02903
401-421-2800
CEO: Beverly F Dolan
Diversified cos-multicompanies/Aerospace and defense/Industrial machinery

Third National
Third National Bank Building
Nashville, TN 37244
615-748-4891
CEO: Charles W Cook Jr
Banks-Southeast

Thrifty Corp
PO Box 92333
Los Angeles, CA 90009
213-251-6000
CEO: Leonard H Straus
Specialty retailers-drug chains

Time Inc
Rockefeller Center
New York, NY 10020
212-586-1212
CEO: J Richard Munro
Publishing
Broadcasting

Times Mirror
Times Mirror Square
Los Angeles, CA 90053
213-972-3700
CEO: Robert F Erburu
Publishing

Toledo Edison
300 Madison Avenue
Toledo, OH 43652
419-249-5000
CEO: John P Williamson
Electric utilities-Midwest

Toledo Trustcorp
Three SeaGate
Toledo, OH 43603
419-259-8598
CEO: George W Haigh
Banks-Midwest

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RYDER
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security plastics inc
Snap-on Tools
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Where to find The Forbes 500s

Torchmark
2001 Third Avenue South
Birmingham, AL 35233
205-325-4200
CEO: Ronald K Richey
Insurance-life and health

Tosco
PO Box 2401
Santa Monica, CA 90506-2401
213-207-6000
CEO: Matthew J Talbot
Petroleum-other oil and gas

Toys "R" Us
395 West Passaic Street
Rochelle Park, NJ 07662
201-845-5033
CEO: Charles Lazarus
Leisure and recreation-toys and electronics

Trans World Airlines
605 Third Avenue
New York, NY 10158
212-692-3000
CEO: Carl E Meyer Jr
Air transport-passenger

Transamerica
600 Montgomery Street
San Francisco, CA 94120
415-983-4000
CEO: James R Harvey
Financial services-lending, leasing and insurance
Insurance-diversified

Transco Energy
PO Box 1396
Houston, TX 77251
713-439-2000
CEO: William J Bowen
Natural gas utilities-producers and pipelines

Transohio Financial
One Penton Plaza
Cleveland, OH 44114
216-579-7700
CEO: Myron Filarski
Thrift institutions

Transworld
605 Third Avenue
New York, NY 10158
212-972-4700
CEO: L Edwin Smart
Services-food distributors
Leisure and recreation-hotels and gaming

Travelers
One Tower Square
Hartford, CT 06183
203-277-0111
CEO: Edward H Budd
Insurance-diversified

Tribune
435 North Michigan Avenue
Chicago, IL 60611
312-222-9100
CEO: Stanton R Cook
Publishing

Trust Co of Georgia
PO Drawer 4418
Atlanta, GA 30302
404-588-7711
CEO: Robert Strickland
Banks-Southeast

TRW
23555 Euclid Avenue
Cleveland, OH 44117
216-383-2121
CEO: Ruben F Mettler
Diversified companies-conglomerates/Automotive suppliers-parts makers/Electronics-equipment

Tucson Electric Power
PO Box 711
Tucson, AZ 85702
602-622-6661
CEO: Einar Greve
Electric utilities-Southwest

Turner
633 Third Ave
New York, NY 10017
212-878-0300
CEO: Walter B Shaw
Builders-commercial

UAL
PO Box 66919
Chicago, IL 60666
312-952-4000
CEO: Richard J Ferris
Air transport-passenger

Union Camp
1600 Valley Road
Wayne, NJ 07470
201-628-2000
CEO: Peter J McLaughlin
Paper
Packaging

Union Carbide
39 Old Ridgebury Road
Danbury, CT 06817-0001
203-794-2000
CEO: Warren M Anderson
Diversified companies-multicompanies
Diversified chemicals

Union Electric
PO Box 149
St Louis, MO 63166
314-621-3222
CEO: William E Cornelius
Electric utilities-Midwest

Union National
670 Washington Road
Mt Lebanon, PA 15228
412-644-8111
CEO: George F Kesel
Banks-Northeast

Union Pacific
345 Park Avenue
New York, NY 10154
212-418-7800
CEO: William S Cook
Petroleum-other oil and gas
Surface transportation-railroads

Union Trust Bancorp
PO Box 1077
Baltimore, MD 21203
301-332-5000
CEO: J Stevenson Peck
Banks-Northeast

Uniroyal
World Headquarters
Middlebury, CT 06749
203-573-2000
CEO: Joseph P Flannery
Automotive suppliers-tire and rubber
Specialized chemicals

United Banks of Colorado
1700 Lincoln Street
Denver, CO 80274
303-861-4700
CEO: N Berne Hart
Banks-West

United Brands
1271 Avenue of the Americas
New York, NY 10020
212-307-2000
CEO: Carl H Lindner
Food processors-meatpacking
Food processors-branded foods

United Energy Resources
PO Box 1478
Houston, TX 77251-1478
713-229-4123
CEO: J Hugh Roff Jr
Natural gas utilities-producers and pipelines

United Financial Group
10333 Harwin
Houston, TX 77036
713-981-2300
CEO: Charles E Hurwitz
Thrift institutions

United Illuminating
80 Temple Street
New Haven, CT 06506
203-787-7200
CEO: George W Edwards
Electric utilities-Northeast

United Jersey Banks
PO Box 2066
Princeton, NJ 08540
609-987-3200
CEO: T Joseph Semrod
Banks-Northeast

United Missouri Bancshares
PO Box 1771
Kansas City, MO 64141
816-283-1100
CEO: R Crosby Kemper Jr
Banks-Midwest

US Bancorp
PO Box 8837
Portland, OR 97208
503-225-6111
CEO: John A Elorriaga
Banks-West

Where to find The Forbes 500s

United States Shoe
One Eastwood Drive
Cincinnati, OH 45227
513–827–7000
CEO: Philip G Barach
Apparel-shoes
Specialty retailers-apparel

United States Steel
600 Grant Street
Pittsburgh, PA 15230
412–433–1121
CEO: David M Roderick
Petroleum-other oil and gas
Metals-steel

US Tobacco
100 West Putnam Avenue
Greenwich, CT 06830
203–661–1100
CEO: Louis F Bantle
Tobacco

US Trust
45 Wall Street
New York, NY 10005
212–806–4500
CEO: Daniel P Davison
Banks-multinational banks

US West
7800 East Orchard Road
Englewood, CO 80111
303–793–6500
CEO: Jack A MacAllister
Telecommunications-carriers

United Technologies
One Financial Plaza
Hartford, CT 06101
203–728–7000
CEO: Harry J Gray
Diversified companies-conglomerates/Aerospace and defense/Building materials-equipment

United Telecommunications
PO Box 11315
Kansas City, MO 64112
913–676–3000
CEO: William T Esrey
Telecommunications-carriers

United Virginia Bankshares
PO Box 26665
Richmond, VA 23261
804–782–5000
CEO: Joseph A Jennings
Banks-Southeast

Unocal
PO Box 7600
Los Angeles, CA 90017
213–977–7600
CEO: Fred L Hartley
Petroleum-other oil and gas

Upjohn
7000 Portage Road
Kalamazoo, MI 49001
616–323–4000
CEO: Ray T Parfet Jr
Health care-drugs

USAir Group
1911 Jefferson Davis Highway
Arlington, VA 22202
703–892–7000
CEO: Edwin I Colodny
Air transport-passenger

USF&G
100 Light Street
Baltimore, MD 21202
301–547–3000
CEO: Jack Moseley
Insurance-property and casualty

USG (formerly United States Gypsum)
101 South Wacker Drive
Chicago, IL 60606
312–321–4000
CEO: Edward W Duffy
Building materials-cement and gypsum
Building materials-other materials

Uslife
125 Maiden Lane
New York, NY 10038
212–709–6000
CEO: Gordon E Crosby Jr
Insurance-life and health

Utah Power & Light
PO Box 899
Salt Lake City, UT 84110
801–535–2000
CEO: James C Taylor
Electric utilities-West

Valero Energy
PO Box 500
San Antonio, TX 78292
512–246–2000
CEO: William E Greehey
Natural gas utilities-producers and pipelines

Valley Federal Savings & Loan Association
6842 Van Nuys Boulevard
Van Nuys, CA 91405
818–904–3000
CEO: Robert E Gibson
Thrift institutions

Valley National
PO Box 71
Phoenix, AZ 85001
602–261–2099
CEO: Howard C McCrady
Banks-West

Varian Associates
611 Hansen Way
Palo Alto, CA 94303
415–493–4000
CEO: Thomas D Sege
Electronics-equipment

VF
1047 North Park Road
Wyomissing, PA 19610
215–378–1151
CEO: Lawrence R Pugh
Apparel-clothing

Vulcan Materials
One Metroplex Drive
Birmingham, AL 35209
205–877–3000
CEO: W Houston Blount
Building materials-other materials
Specialized chemicals

Wachovia
301 North Main Street
Winston–Salem, NC 27102
919–748–5000
CEO: John G Medlin Jr
Banks-Southeast

Wal-Mart Stores
PO Box 116
Bentonville, AR 72712
501–273–4000
CEO: Sam M Walton
General retailers-discount and variety

Waldbaum
Hemlock Street/Boulevard Ave
Central Islip, NY 11722
516–582–9300
CEO: Ira Waldbaum
Supermarkets-regional chains

Walgreen
200 Wilmot Road
Deerfield, IL 60015
312–940–2500
CEO: Charles R Walgreen III
Specialty retailers-drug chains

Wang Laboratories
One Industrial Avenue
Lowell, MA 01851
617–459–5000
CEO: An Wang
Computers

Warner Communications
75 Rockefeller Plaza
New York, NY 10019
212–484–8000
CEO: Steven J Ross
Leisure and recreation-entertainment
Electronics-equipment

Warner-Lambert
201 Tabor Road
Morris Plains, NJ 07950
201–540–2000
CEO: Joseph D Williams
Health care-drugs
Health care-products

Washington Mutual Savings Bank
1101 2nd Avenue
Seattle, WA 98101
206–464–4400
CEO: Louis H Pepper
Thrift institutions

Washington National
1630 Chicago Avenue
Evanston, IL 60201
312–570–3200
CEO: Stanley P Hutchison
Insurance-life and health

Where to find The Forbes 500s

Washington Post
1150 15th Street NW
Washington, DC 20071
202–334–6000
CEO: Katharine Graham
Publishing

Washington Water Power
East 1411 Mission Avenue
Spokane, WA 99202
509–489–0500
CEO: Wendell J Satre
Electric utilities-West

Waste Management
3003 Butterfield Road
Oak Brook, IL 60521
312–654–8800
CEO: Dean L Buntrock
Services-industrial services

Weis Markets
1000 South Second Street
Sunbury, PA 17801
717–286–4571
CEO: Sigfried Weis
Supermarkets-regional chains

Wells Fargo
420 Montgomery Street
San Francisco, CA 94163
415–396–0123
CEO: Carl E Reichardt Jr
Banks-West

Wendy's International
PO Box 256
Dublin, OH 43017
614–764–3100
CEO: Robert L Barney
Services-fast food chains

West Point-Pepperell
PO Box 71
West Point, GA 31833
404–645–4000
CEO: Joseph L Lanier Jr
Consumer products-home furnishings
Textiles

Western Savings & Loan Association
3443 North Central Avenue
Phoenix, AZ 85012
602–248–4600
CEO: Gary H Driggs
Thrift institutions

Western Union
1 Lake Street
Upper Saddle River, NJ 07458
201–825–5000
CEO: Robert S Leventhal
Telecommunications-carriers

Westinghouse Electric
Westinghouse Building
Pittsburgh, PA 15222
412–244–2000
CEO: Douglas D Danforth
Diversified cos-multicompanies/Electrical equipment/Aerospace and defense

Westvaco
299 Park Avenue
New York, NY 10171
212–688–5000
CEO: David L Luke III
Paper

Wetterau
8920 Pershall Road
Hazelwood, MO 63042
314–524–5000
CEO: Ted C Wetterau
Services-food distributors

Weyerhaeuser
Weyerhaeuser Building
Tacoma, WA 98477
206–924–2345
CEO: George H Weyerhaeuser
Paper
Building materials-lumber

Whirlpool
Administrative Center
Benton Harbor, MI 49022
616–926–5000
CEO: Jack D Sparks
Consumer products-appliances

White Consolidated
11770 Berea Road
Cleveland, OH 44111
216–252–3700
CEO: Roy H Holdt
Consumer products-appliances

Whitney Holding
228 St Charles Avenue
New Orleans, LA 70103
504–586–7272
CEO: Patrick A Delaney
Banks-Southeast

Whittaker
10880 Wilshire Boulevard
Los Angeles, CA 90024
213–475–9411
CEO: Joseph F Alibrandi
Diversified companies-conglomerates
Health care-products

Wickes Cos
3340 Ocean Park Boulevard
Santa Monica, CA 90405
213–452–0161
CEO: Sanford C Sigoloff
Specialty retailers-miscellaneous

Willamette Inds
1300 SW Fifth Avenue
Portland, OR 97201
503–227–5581
CEO: William Swindells Jr
Paper
Building materials-lumber

Williams Cos
One Williams Center
Tulsa, OK 74172
918–588–2000
CEO: Joseph H Williams
Natural gas utilities-producers and pipelines
Specialized chemicals

Wilson Foods
4545 Lincoln Boulevard
Oklahoma City, OK 73105
405–525–4545
CEO: Kenneth J Griggy
Food processors-meatpacking

Winn-Dixie Stores
PO Box B
Jacksonville, FL 32203
904–783–5000
CEO: A Dano Davis
Supermarkets-major chains

Wisconsin Electric Power
PO Box 2046
Milwaukee, WI 53201
414–277–2345
CEO: Charles S McNeer
Electric utilities-Midwest

Witco Chemical
520 Madison Avenue
New York, NY 10022–4236
212–605–3800
CEO: William Wishnick
Specialized chemicals

FW Woolworth
233 Broadway
New York, NY 10279
212–553–2000
CEO: John W Lynn
General retailers-discount and variety

Xerox
PO Box 1600
Stamford, CT 06904
203–329–8700
CEO: David T Kearns
Office equipment

Yellow Freight System
10990 Roe Avenue
Overland Park, KS 66207
913–345–3000
CEO: George E Powell Jr
Surface transportation-truckers

Zayre
770 Cochituate Road
Framingham, MA 01701
617–620–5000
CEO: Maurice Segall
General retailers-discount and variety

Zenith Electronics
1000 Milwaukee Avenue
Glenview, IL 60025
312–391–7000
CEO: Jerry K Pearlman
Consumer products-appliances
Electronics-equipment

Zions Utah Bancorporation
1190 Kennecott Building
Salt Lake City, UT 84133
801–524–4787
CEO: Roy W Simmons
Banks-Southwest